

STATE OF NORTH CAROLINA
DEPARTMENT OF ENVIRONMENTAL QUALITY
DIVISION OF AIR QUALITY

REPORT OF PROCEEDINGS OF PUBLIC HEARING ON

PROPOSED AMENDMENT TO RULE
15A NCAC 02Q .0203

NOVEMBER 12, 2020
VIRTUAL PUBLIC HEARING

ENVIRONMENTAL MANAGEMENT COMMISSION

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CHAPTER I

Summaries and Recommendations

Proposed amendment to 15A NCAC 02Q .0203, Permit and Application Fees.

BACKGROUND AND SUMMARY

On August 31, 2001, the United States Environmental Protection Agency (EPA) granted the North Carolina Division of Air Quality (DAQ) full approval of its Title V operating permit program pursuant to the federal implementing regulations in 40 CFR Part 70 (66 FR 45941; effective October 1, 2001). In accordance with 40 CFR §70.9, the DAQ must “require that the owners or operators of part 70 sources pay annual fees, or the equivalent over some other period, that are sufficient to cover the permit program costs and shall ensure that any fee required by this section will be used solely for permit program costs.”

Operating permit program costs include those from the following activities as they relate to Title V sources: preparing regulations or guidance regarding the permit program, its implementation, or enforcement; reviewing and acting on permit applications; administrative costs of running the permit program, such as application tracking, compliance certifications, and data entry; implementation and enforcement of the terms of a Part 70 permit; emissions and ambient monitoring; modeling, analysis or demonstrations; preparing inventories and tracking emissions; and support to sources under the Small Business Stationary Source and Technical and Environmental Compliance Assistance Program.

In addition to federal requirements, North Carolina General Statute 143-215.3(a) authorizes the Commission to “...adopt fee schedules and collect fees...” for processing and administering permits. The fee schedules in 15A NCAC 02Q .0203 contain annual fees for tonnage and the issued permit, as well as an additional nonattainment area fee, as applicable. 15A NCAC 02Q .0203 also applies application fees that are dependent on the facility category and application type.

Historically, the DAQ’s Title V funding relied on a mix of base annual fees and annual tonnage fees. The tonnage fees are capped at 4,000 tons per year of any individual regulated pollutant defined in Clean Air Act Section 502(b)(3)(B)(ii) and have declined due to modern air pollution control technologies, changes in fuels, unit retirements, State initiatives, and federal air pollution control programs. Primarily due to declining emissions, the DAQ has experienced decreases in tons of emissions billed from Title V sources from 2008 to 2019, and a resulting decrease in annual fees invoiced from 2009 to 2019, which has led the DAQ to project a funding shortfall for the Title V program for fiscal year (FY) 2020-2021. Failure to address the Title V funding shortfall may result in an EPA-approved State operating permit program without sufficient funds to operate many aspects of the program, which could eventually result in the EPA partially or fully withdrawing approval of North Carolina’s Title V operating permit program pursuant to 40 CFR 70.10(b) and (c).

The Title V program is applicable to major sources, which is any facility with at least 100 tons per year (tpy) of any regulated pollutant, 25 tpy of all combined hazardous air pollutants (HAPs), or 10 tpy of any individual HAP. The Title V fees in North Carolina include a combination of annual permit tonnage and

base fees, permit application fees, and an added annual permit base fee for facilities in nonattainment areas.

A virtual public hearing was held on November 12, 2020 for the proposed amendment to 15A NCAC 02Q .0203. Yvonne Bailey, Environmental Management Commission (EMC) member, was appointed and acted as the Hearing Officer for the public hearing.

A fiscal note was submitted to the Office of State Budget and Management (OSBM) in accordance with G.S. §150B-21.4. The OSBM determined that the proposed rule amendment has a substantive impact for State government, Local government, Federal government, and the private sector, and approved the fiscal note on August 18, 2020. A copy of the approved fiscal note can be found in Chapter VI of this hearing record. The proposed rule was published in the North Carolina Register, Volume 35, Issue 7. A copy of the proposed rule as published in the North Carolina Register is provided in Chapter IV. The proposed rule and the fiscal note were posted on the Division of Air Quality (DAQ) website for the public comment period from October 1, 2020 to November 30, 2020.

PROPOSED RULE CHANGES

Annual Permit Fees

Annual permit fees for Title V facilities consist of a tonnage factor and base permit fee, as well as an additional nonattainment area fee, if applicable. The tonnage factor currently listed in the rule is the 2011 value of \$30.00 per ton. Through inflation adjustments allowed by the rule, the tonnage factor for calendar year (CY) 2020 is \$34.25 per ton. The proposed rule amendment increases this tonnage factor to \$40.00 per ton, effective in calendar year 2021, upon adoption of the rule by the EMC.

The base permit fee listed in the rule is the 2011 value of \$6,500, with an additional fee of \$3,500 for Title V facilities in nonattainment areas. Through annual inflation adjustments, the CY 2020 base permit and nonattainment fees are \$7,423 and \$3,998, respectively. The proposed amendment to this rule increases the base permit fee to \$10,000. The nonattainment area fee for Title V facilities is not proposed to increase beyond incorporation of the annual inflation adjustments that are currently allowed by the rule, to bring this fee to the 2021 value. As a result of the public comment process, DAQ is recommending a reduced annual base permit fee of \$8,775 relative to the proposed base permit fee of \$10,000. This will eliminate the amount in the proposal that was identified for implementation of the DAQ salary administration plan.

In addition to the annual permit fee changes described above, the amendment to 15A NCAC 02Q .0203 will incorporate the following new annual complexity fees for Title V facilities: \$2,500 for any facility that is subject to at least three and no more than six federal programs; and \$7,500 for any facility that is subject to seven or more federal programs. The federal programs used to categorize the complexity of a facility are outlined in the proposed rule text.

Permit Application Fees

The current language of the rule lists the CY 1994 application fees as follows: \$7,200 for a new or significant modification application; \$700 for a minor modification; \$10,900 for a new or modified PSD or nonattainment major source facility application; \$21,200 for a new or modified facility subject to both

PSD and nonattainment; and \$50 for an ownership change. These fees have been increased through the annual inflation adjustment increases and rounding specifications in the rule. The fees are charged as follows for CY 2020: \$10,177 for a new Title V facility; \$988 for a construction and operation permit, minor modification, or significant modification; \$15,406 for a new or modified PSD or Nonattainment application; \$29,965 for a new or modified PSD and Nonattainment application; and \$60 for an ownership change. With this rule amendment, the fees for minor modifications are proposed to increase as follows: \$3,000 for a minor modification application; and \$7,000 for a significant modification. The remaining application fees will increase to the amounts resulting from inflation adjustments only, to bring them to 2021 values, with no further revisions.

One category of facilities, air curtain incinerators (ACIs), are required under 40 CFR Part 60 to obtain a Title V permit regardless of actual or potential emissions. The DAQ issues these Title V permits under General Permits. Session Law 2018-114 established separate annual and application fees for ACIs with a General Title V permit, equal to 10% of the otherwise applicable fee. The fees for ACI General Permits will be incorporated into the language of 15A NCAC 02Q .0203 during this amendment.

The Title V fees with proposed changes are outlined in Table 1 below:

Table 1. Comparison of Title V Fees with Proposed Changes

Annual Fees				
Type of Fee	CY 2011 Fees (Current Rule)	CY 2020 Fees (Current Rule + CPI adjustments)	Original 2021 Fee Proposal	Revised 2021 Fee Recommendation
Tonnage Factor (\$/ton)	\$30.00	\$34.25	\$40.00	\$40.00
Basic Permit Fee	\$6,500	\$7,423	\$10,000	\$8,775
General TV ACI ^a	N/A ^b	10% of otherwise applicable fee	10% of otherwise applicable fee	10% of otherwise applicable fee
Added medium complex facility fee (3-6 federal programs)	None	None	\$2,500	\$2,500
Added highly complex facility fee (≥7 federal programs)	None	None	\$7,500	\$7,500
Application Fees				
Type of Fee	CY 1994 Fees (Current Rule)	CY 2020 Fees (Current Rule + CPI adjustments)	Original 2021 Fee Proposal	Revised 2021 Fee Recommendation
Minor Modification	\$700	\$988	\$3,000	\$3,000
Significant Modification 1- step	\$7,200	\$988	\$7,000	\$7,000
Significant Modification 2- step	\$7,200	\$1,976 ^c	\$7,000 ^d	\$7,000 ^d

General Title V ACI ^a	N/A ^b	10% of otherwise applicable fee	10% of otherwise applicable fee	10% of otherwise applicable fee
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^a Applies to new Air Curtain Incinerators (ACIs) only.

^b The current rule language in 15A NCAC 02Q .0203 does not include a fee for General Title V ACI permits. Session Law 2018-114 authorized a fee for these sources equal to 10% of the otherwise applicable fee, which will be incorporated into the rule language during this rulemaking.

^c For CY 2020, a 2-step permit application under 15A NCAC 02Q .0501(b)(2) or (c)(2) requires a \$988 fee at each step, for a total of \$1,976.

^d The proposed fee of \$7,000 will cover both steps of a 2-step permit application under 15A NCAC 02Q .0501(b)(2) or (c)(2) and will be charged with the first application.

In addition to the fee revisions outlined in Table 1 and described above, the remaining fees contained in 15A NCAC 02Q .0203 will be revised to reflect the amounts applicable in 2021 after annual inflation adjustments.

PUBLIC COMMENT SUMMARY AND RESPONSES

Comments on the proposed amendment to 15A NCAC 02Q .0203 rules were received from the following organizations: North Carolina Conservation Network; Clean Air Carolina; NC Sierra Club; Parker Poe; and Kilpatrick, Townsend, and Stockton, LLP. A summary of the comments from these organizations is provided in the paragraphs below.

Comment: Alfre Wimberley, legislative analyst at the North Carolina Conservation Network, commented at the public hearing in support of the proposed Title V fee revisions, to avoid an imminent budget deficit, support the programs efficacy, and meet US EPA Title V standards. The commenter highlighted the State's obligation to maintain the program to federal standards in accordance with the CAA Section 502(b)(3) and the possibility of the State's loss of approval of its operating permit program, as detailed in 40 CFR 70.10(b) and (c). The commenter described the DEQ's thorough stakeholder process and highlighted the stakeholder group priorities of keeping a simple fee structure that should not be often changed. The commenter summarized the proposed fee structure measures and emphasized the importance of the fee structure augmentation to protect the environment and maintain the legal operation of the Title V program and service to the regulated community.

Comment: Joel Porter, policy manager for Clean Air Carolina, commented at the public hearing in support of the proposed Title V fee revisions, highlighting the DEQ's important role in maintaining a balance between economic development and environmental protection in North Carolina. The commenter stated that the proposed fee changes will modernize and update the fee structure for Title V permits, allow the DEQ to continue to attract and retain the talent it needs to continue to assess air permits, provide ongoing compliance monitoring, provide industry certainty, ensure public safety, and provide engagement to communities impacted by the critical issues the Department is involved with. The commenter highlighted the robust and thorough outreach to stakeholders and transparency of the increased Title V fees, which will allow the DAQ to plan for the necessary costs and ensure compliance with state and federal regulations. The commenter described the importance of the DAQ's ability to remain an attractive employer among the competitive marketplace in North Carolina so that DAQ staff can continue to ensure compliance and the permit program can continue to meet all legal guidelines. The commenter expressed

Clean Air Carolina's support of the changes and appreciation of DEQ staff outreach in developing the new fee structure.

Comment: Alfre Wimberley, NC Conservation Network, and Joel Porter, Clean Air Carolina, provided additional comments after the public hearing in support of the proposed changes to NCDAQ's fee structure, which are needed to support the program's efficacy and its ability to meet federal US EPA standards. The commenters highlighted the DAQ's stakeholder process, and stated that the proposed changes are needed to avoid a program deficit of \$1,769,008, which could result in continued lagging of staff salaries behind market average, staff cutbacks that could lead to decreased quality of environmental protection, and reduced service quality for the regulated community, which could create longer permit processing timeframes. The commenters summarized the stakeholder process, highlighting the main takeaways of keeping a simple fee structure that does not need to be changed often. The commenters also summarized three other fee structure alternatives that were evaluated, including the expected results if no changes are made, larger increases in tonnage fees are proposed, or permits are based on staff hours.

Comment: Brittany Iery, NC Conservation Network, commented in support of the DAQ's proposed Title V permit fee restructuring. The commenter stated that the fee restructuring has been through a thorough stakeholder process, and is vital to retaining talent in DAQ, proper management of the program, and avoiding a program deficit in the coming years. The commenter provided a petition signed by 866 North Carolina residents, which supports the proposed fee revisions.

Comment: Cassie Gavin, Senior Director of Government Relations at the NC Sierra Club, commented in support of the DAQ's proposed revisions of the Title V annual and application fees, stating that the proposal is reasonable to ensure that the DAQ can continue to enforce the Clean Air Act. The NC Sierra Club has over 100,000 members and supporters in North Carolina, and NC Sierra Club staff participated in the stakeholder process to develop a recommendation for the Title V permit fee revisions.

Response: The DAQ thanks the commenters for attending the public hearing and providing comments. The DAQ also thanks the commenters and petitioners for providing comments after the public hearing, and for their support of the proposed rule amendment. These comments will be provided to the EMC for consideration. The DAQ identified a projected funding shortfall for its Title V program and engaged with stakeholders to develop the proposed fee revisions. The DAQ believes these revisions are adequate and necessary to fulfill its Title V program funding requirements under Section 502(b)(3) of the Clean Air Act and maintain EPA approval of the Title V operating permit program. Additionally, the DAQ believes the proposed fee revisions meet the key tenets of the stakeholder group by establishing a fee structure that is simple, does not require frequent revisions, and increases the correlation between fees and facility complexity.

Furthermore, the DAQ agrees with the commenter's emphasis on the importance of attracting and retaining the talent necessary to continue implementing the State's Title V program in accordance with federal requirements. As described above, the DAQ is recommending a revision to the proposed fee structure that will remove the amount of the budget that is attributable to the salary administration plan. The recommended proposed fee structure still positions the DAQ to collect the funds necessary to support the current program requirements in order to meet its CAA

funding requirements. The DAQ is appreciative of all stakeholders that participated in the development of the recommended changes to the Title V permit fee structure.

Comment: Steven D. Weber, Partner at Parker Poe, expressed concerns from clients and others in the regulated community regarding the DAQ's proposed Title V fee increases, primarily the incomplete context in which the proposed rule amendment is being offered. The commenter stated that an increase in fees is premature without delineation of the extent of the Title V program budget that was reportedly incorrectly charged to other funding sources and disclosure of the specific utilization of all revenue sources of DAQ for the prior three years. The commenter requested a comparison of North Carolina's overall revenues with the current CAA presumptive fee of \$53/ton, the last time that DEQ made a demonstration of sufficient Title V Program funds to EPA, and whether the DEQ has received correspondence from EPA regarding concern for North Carolina's funding level. The commenter also requested an examination of the overall DAQ budget, specifically, savings in DAQ's other programs where Title V-related activities were being incorrectly charged. The commenter requested additional context regarding the DAQ's total budget, such as the following:

- Clarification regarding an apparent inconsistency resulting from increased DAQ expenditures for the motor vehicle inspection and maintenance (I&M) program following a reduction in I&M revenues due to removal of more than half of North Carolina's counties from the I&M motor vehicle requirements.
- Whether the DAQ's budget analysis considered the approximate 20% difference in the salaries of the experienced staff expected to retire in the near future and that of newer replacement staff.
- Clarification of the DAQ's fuel tax account expenditures, which appear to have risen although the DAQ's revenues are flat.

The commenter also asked whether the DAQ has evidence that staff departures are due to insufficient salaries and stated that it would be surprising to learn that the DAQ is having systemic difficulties recruiting and retaining staff given the high unemployment in North Carolina right now. The commenter indicated that, without a transparent audit, one could conclude that the DAQ is seeking to raise Title V fees to cover increasing non-Title V expenditures.

Comment: Alan McConnell, Kilpatrick Townsend & Stockton, LLP, provided comments in support of the more detailed comments submitted by Mr. Steven Weber of the Parker Pow law firm. The commenter stated that the rulemaking record does not contain adequate information regarding the Title V costs that have been incorrectly paid with non-Title V funds. The commenter suggested a public audit of the overall DAQ budget to address this correction and the issues raised in Mr. Weber's comments, which could then be used to support the need for an increase in Title V fees on a transparent foundation.

Response: Prior to initiating both the Title V fee stakeholder process and rule-making, the DAQ conducted a review of each position within the Division to determine what portion of the position's work is related to the Title V program. This review commenced in the Spring of 2019, as the DAQ tasked its Program Managers and Supervisors to conduct a fresh review. Those Program Managers and Supervisors have the best perspective and knowledge about the specific

work of their employees and have a clear understanding of the duties that should be covered by Title V fees as detailed in USEPA's Title V regulations in 40 CFR Part 70. The review involved analyzing time worked on Title V activities vs. non-Title V activities. For regional office activities, this was further analyzed by program area categories (permitting, compliance, emission inventories, ambient monitoring and other). This was accomplished by the Program Manager/Supervisor reviewing information with each employee including, but not limited to, annual employee workplans, employee position descriptions, and dialogue between the employee and supervisor. Regional Offices coordinated with one another to ensure consistency where necessary. Central Office program areas conducted a similar assessment using similar data sources and methods. The project was led by the central office Title V permitting management.

The results of the Division's 2019 review and analysis concluded the following:

- 49 positions were identified that should be assigning less time to the Title V account than they are currently. This sums to 10.4 full-time equivalents (FTE).
- 129 positions were identified that should be assigning more time to the Title V account than they are currently. This sums to 31.0 FTE.
- 16 positions were identified that no change is necessary.
- The funding shifts that are necessary via the review and analysis cannot and will not be executed until a fee change becomes effective.

As the number of Title V facilities decreased, and as DAQ implemented efficiency measures, position reductions (mostly through attrition) were made over time. The agency had a reduction-in-force in 2014 involving 6 filled positions and 6 vacant positions. Some of those positions that were eliminated were partially covered by Title V revenues, lowering the Title V FTE count. Remaining staff absorbed some of the tasks (including Title V tasks) that were left behind. Simultaneously, federal actions continued to increase the Title V tasks and liabilities. All of the factors discussed contributed to a FTE count of 92.5, which is higher than the current baseline of 72 FTEs identified in the DAQ's 2019 review and analysis of Title V workload. The DAQ is not looking to increase positions as a result of this action.

The DAQ has not received correspondence from EPA regarding insufficient funds to implement its Title V operating permit program and the EPA's latest review of the DAQ Title V program was 2015. The Title V FTE count in 2014 and 2015 was 92 and 88, respectively. However, EPA's next program evaluation/audit of North Carolina's Title V operating permit program is expected to occur in 2021. On December 17, 2020, EPA sent their initial communication and questionnaire regarding the upcoming 2021 Title V program evaluation/audit to DAQ.

The DAQ is required under CAA Section 502(b)(3) to ensure adequate Title V fees are collected to cover the costs of implementing the program. If the fee structure were entirely reliant on the current EPA presumptive fee of \$52.79/ton, the DAQ would expect revenues of approximately

\$6,019,010 in 2021, which leaves a deficit of approximately \$2,058,700 below the estimated base funding required for the program.

Regarding the use of a base fee in addition to a tonnage fee, in 1992, at the inception of NC Title V program, the Clean Air Act Advisory Council established by the North Carolina General Assembly recommended that a portion of the total Title V fees should come from a base permit fee (an annual flat fee for each permit). The council recognized that some fixed amount of work is required to permit and provide compliance oversight for every Title V permitted facility without regard to the individual facility's emissions. The other portion of the revenue comes from annual per-ton charges (tonnage fee). The tonnage fee is calculated from the per-ton rate and the "billable tons" a facility emits (up to a maximum defined emission level). Additionally, a small fraction of revenues come from Title V application fees. It is noted that the Clean Air Act Advisory Council in 1992 recommended initial implementation of the Title V program with 243 FTEs and a \$12,000,000 Title V budget in 1991 dollars.

Furthermore, the continuing trend of declining emissions makes a funding model that relies heavily on a tonnage fee unsustainable. A significant portion of the estimated Title V program budget is attributable to DAQ staff salaries. As demonstrated in the Fiscal Note, Appendix B, slide 30, a facility of higher complexity that requires more DAQ staff hours does not always report higher emissions. The stakeholder group formed in 2020 to help design the revised Title V fee structure agreed that the best approach should take steps toward relying less on a tonnage fee, and more on workload and complexity.

It should also be noted that when the General Assembly authorizes across the board pay increases for state employees, for receipt-based organizations like DAQ, no additional funding comes with that authorization. Over the past 3 budget cycles, those legislative increases total to over \$488,000 in additional salary liabilities against the Title V account. After many years of staffing reductions and other cost-savings measures to balance the costs with the revenues, the NC Title V program hit the breakpoint in 2019 where account balances and cost-savings measures cannot keep up with those increasing expenditures and workload. Furthermore, the DAQ's analysis of historical revenues has shown that annual inflation adjustments alone are insufficient to cover the costs of the program, given the declining emission trends and other variables that impact annual revenues.

The request for an audit is noted. The DAQ's 2019 review and analysis of Title V workload can be viewed as such an exercise. As described above, the 2019 review included an assessment of the current FTE count assigned to the Title V program. It was determined that, based on current workload requirements, more positions should be assigning time to the Title V account. This change will not occur until a fee change becomes effective. Above and beyond the review and analysis that served as the basis for the proposal, the DAQ will do more over the next 2 years. In the spring of 2020, the stakeholder group noted that their support for the portion of the proposal that includes the implementation of the DAQ salary administration plan is contingent upon the DAQ's commitment to complete an additional review of the program within the next 2 years. This review will include a current and projected near-term workload analysis, staffing needs assessment, and funding needs assessment (similar to the effort undertaken by the Clean Air Act

Advisory Council in the early 1990's). The DAQ is committed to performing this significant task and believes it can also be viewed as an audit. DAQ is already taking steps toward that assessment and intends to involve staff from outside of DAQ in the assessment. The DAQ will provide that report to all interested parties and the EMC when it is completed.

As a result of the public comment process, DAQ is recommending a reduced annual base permit fee of \$8,775 relative to the proposed base permit fee of \$10,000. This will eliminate the amount in the proposal that was identified for implementation of the DAQ salary administration plan.

Responses to comments related to other DAQ revenues: The DAQ received comments about other DAQ revenues. As stated previously and during presentations to the EMC in July and September, DAQ is proposing Title V fee changes to ensure adequate Title V fees are collected to cover the costs of implementing the Title V program (per Clean Air Act Section 502 and 40 CFR Part 70).

While the following matters are unrelated to the Title V fee change proposal, DAQ feels it is important to provide clarifications to some of the presumptions that serve as the basis for the questions. First, regarding the vehicle emissions inspection and maintenance (I&M) revenues and expenditures, the I&M revenues can be broadly applied “to administering the air quality program” and are not designed to be used only on I&M related activities. This legislative change occurred as a result of a DEQ recommendation in 2016 providing additional flexibility in how funds can be used to support the overall air quality program. The same is true for fuel tax revenues and expenses. While expenses were higher than revenues in 2020 for each of those accounts, cash balances were sufficient to cover that difference. DAQ is implementing measures to reduce expenditures overall, including those against the I&M and fuel tax accounts. Those measures include, but are not limited to: 1) a reduction of positions; 2) a reduction of lab costs; 3) a reduction of travel and training costs.

Finally, comments were made suggesting that DAQ would experience a “windfall” as experienced employees retire and are replaced with newer staff. DAQ does not see potential for significant savings as a result of retirements as the commenter does. The concept of having a “career escalator” is one that has someone one step behind the retiring employee that is ready to take that next step in advancing in their career. As higher-level positions are vacated, the position typically remains at that level rather than being reduced to an entry-level position, and may be filled by another DAQ employee currently at mid- or entry-level. That advancement results in a compensation increase that depends on the education, skills, and experience of the individual. Assuming that an experienced employee with moderately to highly complex duties is replaced by someone that is brand new with much less education, skills and experience, is not a scenario that DAQ would expect.

SUMMARY OF COMMENTS AND RESPONSES

Comment	Response
Four commenters supported the proposed Title V fee revisions.	The DAQ appreciates support for the proposed rule amendment.
Two commenters expressed concern and requested clarification and transparency of the entire DAQ budget and expenditures, comparison of proposed fees with EPA presumptive fee, and clarification of staff salary analysis.	Additional details regarding the budget analysis and staff salaries have been provided, and the DAQ has agreed to conduct an Accountability Report within the next two years. The stakeholder workgroup agreed that the proposed fee structure should rely less on tonnage and more on complexity. Finally, the DAQ is recommending a revision to the proposed fees, such to exclude the portion of the budget for implementation of the salary administration plan.

CONCLUSION

The North Carolina Division of Air Quality received seven comments during the comment period. Five comments were in support of the proposed rule amendment to 15A NCAC 02Q .0203 and highlighted the importance of the proposed fee revisions to allow the DAQ to meet funding obligations under the Clean Air Act and retain EPA-approval of the Title V program. Two comments expressed concern and requested further information about the DAQ's budget analysis and spending, staff salaries and recruitment, and comparison of the proposed fees with the current EPA presumptive fee. Based on the comments received, the DAQ is recommending a reduced base annual fee of \$8,775 relative to the proposed base permit fee of \$10,000.

HEARING OFFICER'S RECOMMENDATION

The hearing officer recommends that the proposed amendment to 15A NCAC 02Q .0203, with the revised fee structure, the final fiscal note as presented in Chapter VI of this hearing report, and this Hearing Officer's Report be adopted by the Environmental Management Commission.

CHAPTER II

Rule Change Formatting Key

Chapter IV of this hearing record represents the proposed rules as noticed in the *North Carolina Register* for public comment.

Chapter II represents the proposed rules as published with changes made in response to comments received during the public comment period incorporated.

For Rule Amendments:

~~Text~~ = deleted text

Text = added text

~~Text~~ = existing text in what was published in the *North Carolina Register* (NCR) that is proposed to be deleted following the comment period

Text = text proposed to be added to what was published in the NCR following the comment period

~~Text~~ = text initially proposed in the NCR to be deleted that is restored following the comment period

[~~Text~~] = text proposed in the NCR to be added that is deleted following the comment period

Note: For new rules proposed for adoption, all text is initially underlined. If there are changes to the proposed new rule following publication in the NCR, the underlining is removed, deleted text is struck through, added text is underlined, and there is no highlighting.

1 15A NCAC 02Q .0203 is proposed for amendment with changes as published in 35:07 NCR 755 as follows:

2

3 **15A NCAC 02Q .0203 PERMIT AND APPLICATION FEES**

4 (a) The owner or operator of any facility holding a permit shall pay the following annual permit fees:

ANNUAL PERMIT FEES
(FEES FOR CALENDAR YEAR ~~2014~~2021)

Facility Category	Tonnage Factor	Basic Permit Fee	Nonattainment Area Added Fee
Title V	\$30.00 <u>\$40.00</u>	\$6,500 <u>\$10,000</u> <u>\$8,775</u>	\$3,500 <u>\$3998</u>
Synthetic Minor		\$1,500	
Small		\$250	
General		50% of the otherwise applicable fee	
<u>General Title V ACI</u>		<u>10% of the otherwise applicable fee</u>	

5 (Note: fee shaded in gray is fee for calendar year 2020, not adjusted for inflation for 2021)

6 A facility, other than a Title V facility, that has been in compliance is eligible for a 25 percent discount from the annual
7 permit fees as described in ~~Paragraph (a) of 15A NCAC 02Q .0205(a)~~. Annual permit fees for Title V facilities in this
8 Paragraph shall be adjusted for inflation as described in 15A NCAC 02Q .0204. ~~Annual permit fees for Title V~~
9 ~~facilities consist of the sum of the applicable fee elements. The current annual permit fees shall be found on the~~
10 ~~Division's website at [https://dec.nc.gov/about/divisions/air-quality/air-quality-permits/modifying-applying-for-air](https://dec.nc.gov/about/divisions/air-quality/air-quality-permits/modifying-applying-for-air-quality-permit)~~
11 ~~quality-permit~~. Annual permit fees for Title V facilities in this Paragraph are equal to the sum of the basic permit fee,
12 tonnage factor fee, and nonattainment area added fee, as applicable.

13 (b) In addition to the annual permit fees required by Paragraph (a) of this Rule, the owner or operator of a Title V
14 facility shall pay the following annual complexity fee, as applicable:

15 (1) For facilities subject to at least three and no greater than six of the federal programs identified in
16 Paragraph (c) of this Rule, the added annual complexity fee shall be two thousand five hundred
17 dollars (\$2,500); or

18 (2) For facilities subject to seven or greater of the federal programs identified in Paragraph (c) of this
19 Rule, the added annual complexity fee shall be seven thousand five hundred dollars (\$7,500).

20 Annual complexity fees for Title V facilities shall be adjusted for inflation as described in 15A NCAC 02Q .0204.

21 (c) Each of the programs and regulations identified in Subparagraphs (1) through (5) of this Paragraph are considered
22 a federal program for the purposes of determining annual complexity fees under Paragraph (b) of this Rule:

23 (1) The PSD program is considered one federal program for any facility that is subject to 15A NCAC
24 02D .0530;

- 1 (2) The Risk Management Program under Section 112r of the Clean Air Act is considered one federal
- 2 program for any facility that is subject to 15A NCAC 02D .2100;
- 3 (3) Each Subpart under 40 CFR Part 60, New Source Performance Standards (NSPS) is considered one
- 4 federal program, with the exception of Subparts A, B, Ba, and C;
- 5 (4) Each Subpart under 40 CFR Part 61, National Emission Standards for Hazardous Air Pollutants
- 6 (NESHAP) is considered one federal program, with the exception of Subpart A; and
- 7 (5) Each Subpart under 40 CFR Part 63, NESHAP for Source Categories, is considered one federal
- 8 program, with the exception of Subparts A, B, C, D, and E.

9 The sum of all applicable federal programs identified in Subparagraphs (1) through (5) of this Paragraph shall be used
 10 to determine the annual complexity fee in accordance with Paragraph (b) of this Rule.

11 ~~(b)(d)~~ In addition to the annual permit fee, ~~fee~~ and annual complexity fee, a permit applicant shall pay a non-refundable
 12 permit application fee as follows:

PERMIT APPLICATION FEES
 (FEES FOR CALENDAR YEAR ~~1994~~2021)

Facility Category	New or Modification	New or Significant Modification	<u>Significant Modification</u>	Minor Modification	Ownership Change
Title V		\$7,200	<u>\$7,000</u>	\$700 <u>\$3,000</u>	\$50 <u>\$60</u>
		<u>\$10,177</u>			
Title V (PSD or NSR/NAA)	\$10,900 <u>\$15,406</u>				\$50 <u>\$60</u>
Title V (PSD and NSR/NAA)	21,200 <u>\$29,965</u>				\$50 <u>\$60</u>
Synthetic Minor	\$400				\$50
Small	\$50				\$50
General			50% of the otherwise applicable fee		\$25
<u>General Title V ACI</u>			<u>10% of the otherwise applicable fee</u>		

13 (Note: fees shaded in gray are fees for calendar year 2020, not adjusted for inflation for 2021)
 14 Permit application fees for Title V facilities shall be adjusted for inflation as described in 15A NCAC 02Q .0204. ~~The~~
 15 ~~current permit application fees shall be found on the Division's website at [https://deq.nc.gov/about/divisions/air-](https://deq.nc.gov/about/divisions/air-quality/air-quality-permits/modifying-applying-for-air-quality-permit)~~
 16 ~~quality/air-quality-permits/modifying-applying-for-air-quality-permit.~~

17 (e) The current annual permit fees, annual complexity fees, and permit application fees shall be found on the Division's
 18 website at [https://deq.nc.gov/about/divisions/air-quality/air-quality-permits/modifying-applying-for-air-quality-](https://deq.nc.gov/about/divisions/air-quality/air-quality-permits/modifying-applying-for-air-quality-permit)
 19 permit.

1 ~~(e)~~(f) If a facility, other than a general facility, belongs to more than one facility category, the fees shall be those of
 2 the applicable category with the highest fees. If a permit application belongs to more than one type of application, the
 3 fee shall be that of the applicable permit application type with the highest fee.

4 ~~(d)~~(g) The tonnage factor fee shall be applicable only to Title V facilities. It shall be computed by multiplying the
 5 tonnage factor indicated in the table in Paragraph (a) of this Rule by the facility's combined total actual emissions of
 6 all regulated air pollutants, rounded to the nearest ton, contained in the latest emissions inventory that has been
 7 completed by the Division. The calculation shall not ~~include~~: include the amount of actual emissions of each pollutant
 8 that exceeds 4,000 tons per year and the actual emissions of pollutants listed in Subparagraphs (1) through (4) of this
 9 Paragraph as follows:

10 (1) carbon monoxide;

11 (2) any pollutant that is regulated solely because it is a Class I or II substance listed pursuant to Section
 12 602 of the federal Clean Air Act (ozone depleters);

13 (3) any pollutant that is regulated solely because it is subject to a regulation or standard pursuant to
 14 Section 112(r) of the federal Clean Air Act (accidental releases); and

15 ~~(4) the amount of actual emissions of each pollutant that exceeds 4,000 tons per year.~~

16 ~~(4) greenhouse gases.~~

17 Even though a pollutant may be classified in more than one pollutant category, the amount of pollutant emitted shall
 18 be counted only once for tonnage factor fee purposes and in a pollutant category chosen by the permittee. If a facility
 19 has more than one permit, the tonnage factor fee for the facility's combined total actual emissions as described in this
 20 Paragraph shall be paid only on the permit whose anniversary date first occurs on or after July 1.

21 ~~(e)~~(h) The nonattainment area added fee shall be applicable only to Title V facilities required to comply with 15A
 22 NCAC 02D .0531 (Sources in Nonattainment Areas), 15A NCAC 02D .0900 (Volatile Organic Compounds), or 15A
 23 NCAC 02D .1400 (Nitrogen Oxides) and either:

24 (1) are in an area designated in 40 CFR 81.334 as nonattainment, or

25 (2) are covered by a nonattainment or maintenance State Implementation Plan submitted for approval
 26 or approved as part of 40 CFR Part 52, Subpart II.

27 ~~(f)~~(i) The facility category, Title V (PSD or NSR/NAA), in the permit application fees table in Paragraph ~~(b)~~(d) of
 28 this Rule means a facility whose application shall be subject to review pursuant to 15A NCAC 02D .0530 (Prevention
 29 of Significant Deterioration) or 15A NCAC 02D .0531.

30 ~~(g)~~(j) The facility category, Title V (PSD and NSR/NAA), in the permit application fees table in Paragraph ~~(b)~~(d) of
 31 this Rule means a facility whose application shall be subject to review pursuant to 15A NCAC 02D .0530 and .0531.

32 ~~(h)~~(k) Minor modification permit applications that are group processed shall require the payment of only one permit
 33 application fee per facility included in the group.

34 ~~(i)~~(l) No permit application fee shall be required for renewal of an existing permit, for changes to an unexpired permit
 35 when the only reason for the changes is initiated by the Director or the Commission, for a name change with no
 36 ownership change, for a change pursuant to 15A NCAC 02Q .0523 (Changes Not Requiring Permit Revisions), or for
 37 a construction date change, a test date change, a reporting procedure change, or a similar change.

1 ~~(j)~~(m) The permit application fee paid for modifications pursuant to 15A NCAC 02Q .0400, Acid Rain Procedures,
2 shall be the fee for the same modification if it were subject to 15A NCAC 02Q .0500, Title V Procedures.

3 ~~(k)~~(n) An applicant who files permit applications pursuant to 15A NCAC 02Q .0504 shall pay an application fee equal
4 to the application fee for the permit required pursuant to 15A NCAC 02Q .0500; this fee shall cover both applications,
5 provided that the second application covers only what is covered under the first application. If permit terms or
6 conditions in an existing or future permit issued pursuant to 15A NCAC 02Q .0500 are established or modified by an
7 application for a modification and if these terms or conditions are enforceable by the Division only, then the applicant
8 shall pay the fee under the column entitled "Minor Modification" in the table in Paragraph ~~(b)~~(d) of this Rule.

9
10 *History Note: Authority G.S. 143-215.3(a)(1),(1a),(1b),(1d);*
11 *Temporary Rule Eff. March 8, 1994 for a period of 180 days or until the permanent rule is effective,*
12 *whichever is sooner.*
13 *Eff. July 1, 1994;*
14 *Amended Eff. January 1, 2015; March 1, 2008; April 1, 2004; April 1, 2001; July 1, 1996;*
15 *Readopted Eff. April 1, ~~2018~~2018;*
16 *Amended Eff. _____.*
17
18
19

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CHAPTER III

REPORT OF PROCEEDINGS

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CHAPTER III
REPORT OF PROCEEDINGS

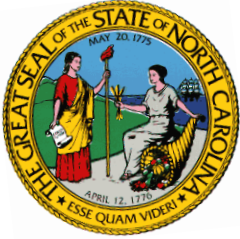
Introduction

In an abundance of caution, to address protective measures to help prevent the spread of COVID-19, the Department of Environmental Quality, Division of Air Quality, held a public hearing on the proposed amendment on November 12, 2020 at 6:00 p.m. via Cisco's WebEx teleconferencing service in lieu of an in-person meeting.

The hearing considered the proposed amendment of 15A NCAC 02Q .0203.

The proposed effective date for this rule is projected to be March 1, 2021.

A public notice announcing this hearing was emailed to each person on the interested party email distribution list. The public notice was also published in the North Carolina Register at least 15 days before the public hearing and posted on the North Carolina Division of Air Quality website at least 30 days prior to the public hearing.



ENVIRONMENTAL MANAGEMENT COMMISSION

NORTH CAROLINA DEPARTMENT OF ENVIRONMENTAL QUALITY

Dr. A. Stan Meiburg
Chairman
Dr. Suzanne Lazorick
Vice-Chair

Roy Cooper, Governor
Michael S. Regan, Secretary

David W. Anderson
Shannon M. Arata
Yvonne C. Bailey
Charles Carter
Donna L. Davis

Robert Gillespie
Patrick K. Harris
Steve Keen
John McAdams
Margaret C. Monast

October 30, 2020

To: Yvonne Bailey
From: Dr. A. Stan Meiburg *ASMeiburg*
Subject: Hearing Officer Appointment

A digital public hearing has been scheduled for Thursday, November 12, 2020 at 6:00 p.m. to receive public comments on the amendment to 15A NCAC 02Q .0203, *Permit and Application Fees*, and the accompanying fiscal note. The public notice for the hearing is attached.

I am hereby appointing you to serve as hearing officer for this hearing. Please receive all relevant public comment and report your findings and recommendations to the Environmental Management Commission. Mr. Patrick Knowlson will provide Division of Air Quality staff support for the hearing.

If you have any questions, please feel free to contact Patrick Knowlson at (919) 707-8711, or me.

Attachment

cc: Mike Abraczinskas
Lois Thomas
Hearing Record File

**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: NCDQAQ

*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

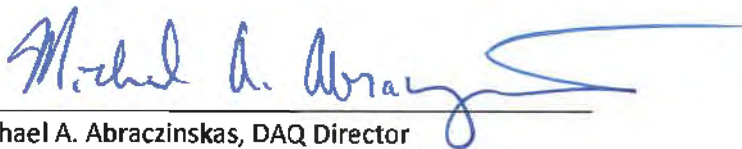
cities:

Asheville	(828) 296-4500
Fayetteville	(910) 433-3300
Mooresville	(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: 10/2/20


Michael A. Abraczinskas, DAQ Director

Transcript

A transcript of the November 12, 2020 virtual public hearing has not been prepared; however, an audio recording of the proceeding will be kept on file with the Division of Air Quality for one year from the date of the final actions by the Environmental Management Commission.

A list of those attending the virtual public hearing are as follows:

Hearing Officer:

Yvonne Bailey, Environmental Management Commission

Staff Members of the Division of Air Quality or other state employees:

Michael Abraczinskas, DAQ, DEQ

Michael Pjetraj, DAQ, DEQ

Randy Strait, DAQ, DEQ

Patrick Knowlson, DAQ, DEQ

Brendan Davey, DAQ, DEQ

Mark Cuilla, DAQ, DEQ

Joelle Burleson, DAQ, DEQ

Katherine Quinlan, DAQ, DEQ

Rahatul Ashique, DAQ, DEQ

Betsy Huddleston, DAQ, DEQ

Members of the General Public, County Employees, or Federal Government Employees:

Alfre Wimberley, NC Conservation Network

Daphne Wang, AECOM

Joel Porter, Clean Air Carolina

Sarah Pearce, AECOM

Libby Robinson, AECOM

Mark Huncik

Terry Johnson, EPA

Ashley Featherstone, Buncombe County, Western North Carolina Regional Air Quality Agency

Jason Rayfield, Mecklenburg County Air Quality

First	Last	Organization (If Information Available)	Oral Comment?
Alfre	Wimberley	NC Conservation Network	Yes
Ashley	Featherstone	WNCRAQ	
Betsy	Huddleston	DAQ	
Brendan	Davey	DAQ	
Daphne	Wang		
Jason	Rayfield	MCAQ	
Joel	Porter	Clean Air Carolina	Yes
Joelle	Burleson	DAQ	
Katherine	Quinlan	DAQ	
Libby	Robinson		
Mark	Huncik		
Mark	Cuilla	DAQ	
Michael	Pjetraj	DAQ	
Mike	Abraczinskas	DAQ	
Patrick	Knowlson	DAQ	
Rahatul	Ashique	DAQ	
Randy	Strait	DAQ	
S	Pearce		
Terry	Johnson		
Yvonne	Bailey	EMC	

Attendance Overview	
Number of DAQ Staff	10
Number of EMC Members	1
Number of DEQ Head Staff	0
Number of MCAQ Staff	1
Number of WNCRAQ Staff	1
Number of Public Speakers	2
Number of Public Non-Speakers	5
Grand Total Number of Attendees	20

CHAPTER IV

EXHIBITS

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NORTH CAROLINA REGISTER

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October 1, 2020

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Contact List for Rulemaking Questions or Concerns

For questions or concerns regarding the Administrative Procedure Act or any of its components, consult with the agencies below. The bolded headings are typical issues which the given agency can address but are not inclusive.

Rule Notices, Filings, Register, Deadlines, Copies of Proposed Rules, etc.

Office of Administrative Hearings
 Rules Division
 1711 New Hope Church Road
 Raleigh, North Carolina 27609

984-236-1850
 984-236-1947 FAX

contact: Molly Masich, Codifier of Rules molly.masich@oah.nc.gov 984-236-1934
 Dana McGhee, Publications Coordinator dana.mcgee@oah.nc.gov 984-236-1937
 Lindsay Silvester, Editorial Assistant lindsay.silvester@oah.nc.gov 984-236-1938
 Cathy Matthews-Thayer, Editorial Assistant cathy.thayer@oah.nc.gov 984-236-1901

Rule Review and Legal Issues

Rules Review Commission
 1711 New Hope Church Road
 Raleigh, North Carolina 27609

984-236-1850
 984-236-1947 FAX

contact: Amber Cronk May, Commission Counsel amber.may@oah.nc.gov 984-236-1936
 Amanda Reeder, Commission Counsel amanda.reeder@oah.nc.gov 984-236-1939
 Ashley Snyder, Commission Counsel ashley.snyder@oah.nc.gov 984-236-1941
 Karlene Turrentine, Commission Counsel karlene.turrentine@oah.nc.gov 984-236-1948
 Alexander Burgos, Paralegal alexander.burgos@oah.nc.gov 984-236-1940
 Julie Brincefield, Administrative Assistant julie.brincefield@oah.nc.gov 984-236-1935

Fiscal Notes & Economic Analysis

Office of State Budget and Management
 116 West Jones Street
 Raleigh, North Carolina 27603-8005

Contact: Carrie Hollis, Economic Analyst osbmruleanalysis@osbm.nc.gov 984-236-0689

NC Association of County Commissioners
 215 North Dawson Street
 Raleigh, North Carolina 27603

contact: Amy Bason amy.bason@ncacc.org

NC League of Municipalities
 150 Fayetteville Street, Suite 300
 Raleigh, North Carolina 27601

contact: Sarah Collins scollins@nclm.org

Legislative Process Concerning Rulemaking

545 Legislative Office Building
 300 North Salisbury Street
 Raleigh, North Carolina 27611

919-733-2578
 919-715-5460 FAX

Jason Moran-Bates, Staff Attorney
 Jeremy Ray, Staff Attorney

PROPOSED RULES

apply to products sold, delivered, or shipped pursuant to G.S. 18B-1101(7) or G.S. 18B-1104(a)(8).

~~(a)(b)~~ No wholesaler of malt beverages shall sell malt beverages to any person who does not hold a retail or wholesale ~~Malt Beverage~~ malt beverage permit, and no wholesaler of wine shall sell any fortified wine or unfortified wine to any person who does not hold the appropriate retail or wholesale ~~Fortified or Unfortified Wine Permit;~~ fortified or unfortified wine permit, except, that a wholesaler may furnish or sell wine or malt beverages to ~~his~~ the wholesaler's employees for the sole use of the employees.

~~(b)(c)~~ No retail malt beverage or wine permittee shall purchase ~~those alcoholic beverages~~ malt beverages or wine from anyone other than a licensed wholesaler.

~~(e)~~ No malt beverage wholesaler shall sell, ship, or distribute any brand of malt beverages to any retail permittee located outside the territory described in that wholesaler's distribution agreement for the product filed pursuant to G.S. 18B-1303(a).

~~(d)~~ All persons holding retail ~~Malt Beverage or Wine Permits~~ malt beverage or wine permits shall keep the sales tickets and delivery receipts furnished by the wholesaler, pursuant to Rule .0502 of this Subchapter, ~~as well as and~~ and all other records of purchases of malt beverages and ~~wine, filed wine. All receipts and records required to be retained pursuant to this Paragraph shall be kept~~ wine. All receipts and records required to be retained pursuant to this Paragraph shall be kept separate and apart from all other records. Delivery receipts shall set forth terms of sale for each separate transaction between the retailer and the wholesaler and shall include for each separate sale:

- (1) the date of sale;
- (2) the trade name of the retail establishment;
- (3) ~~location;~~ the location of the retail establishment;
- (4) the quantity of each brand of alcoholic beverage sold;
- (5) the unit price;
- (6) the total price;
- (7) the amount paid; and
- (8) the invoice or receipt number.

~~(e)~~ The retailer shall retain for inspection copies of all sales tickets and delivery receipts on the premises for three years.

~~(f)~~ A retail permittee ~~who operates multiple locations~~ may maintain ~~beer malt beverage and wine invoices at one central location~~ other location, other than the licensed premises, upon written application to and approval by the Commission. When considering the application, the Commission shall consider the following:

- (1) whether all permits are held by the same applicant;
- (2) whether electronic copies of the invoices will be accessible to law enforcement at the retail location; and
- (3) whether the permittee agrees to make the original invoices available on the licensed premises to law enforcement within 48 hours of the request by law enforcement.

Authority G.S. 18B-100; 18B-207; 18B-1107; 18B-1109; 18B-1113; 18B-1114. 18B-1303(a).

14B NCAC 15C .0607 MALT BEVERAGE AND WINE SHIPMENTS TO MILITARY BASES

No industry member except a wholesaler shall ship malt beverages or wine directly to a United States military or naval reservation within North Carolina. All malt beverages and wine intended for that purpose shall be shipped to ~~wholesalers and these wholesalers.~~ wholesalers. These beverages shall come to rest upon the warehouse floor of the ~~wholesalers~~ wholesalers, as set forth in 14B NCAC 15C .0602(a), who may then deliver them to United States military or naval reservations within North Carolina.

Authority G.S. 18B-109(b); 18B-100; 18B-207.

TITLE 15A – DEPARTMENT OF ENVIRONMENTAL QUALITY

Notice is hereby given in accordance with G.S. 150B-21.2 that the Environmental Management Commission intends to amend the rule cited as 15A NCAC 02Q .0203.

Link to agency website pursuant to G.S. 150B-19.1(c):
<http://deq.nc.gov/about/divisions/air-quality/air-quality-rules/rules-hearing-process>

Proposed Effective Date: *March 1, 2021*

Public Hearing:

Date: *November 12, 2020*

Time: *6:00 p.m.*

Location: *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*

Reason for Proposed Action: *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.*

PROPOSED RULES

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.

Comments may be submitted to: Patrick Knowlson, 217 West Jones St., 1641 Mail Service Center, Raleigh, NC 27699-1641; phone (919) 707-8711; fax (919) 715-0717; email daq.publiccomments@ncdenr.gov (Please type "Title V Fees Hearing" in the subject line) or at the following automated voicemail: (919)-707-8430

Comment period ends: November 30, 2020

Procedure for Subjecting a Proposed Rule to Legislative Review: If an objection is not resolved prior to the adoption of the rule, a person may also submit written objections to the Rules Review Commission after the adoption of the Rule. If the Rules Review Commission receives written and signed objections after the adoption of the Rule in accordance with G.S. 150B-21.3(b2) from 10 or more persons clearly requesting review by the legislature and the Rules Review Commission approves the rule, the rule will become effective as provided in G.S. 150B-21.3(b1). The Commission will receive written objections until 5:00 p.m. on the day following the day the Commission approves the rule. The Commission will receive those objections by mail, delivery service, hand delivery, or facsimile transmission. If you have any further questions concerning the submission of objections to the Commission, please call a Commission staff attorney at 919-431-3000.

Fiscal impact. Does any rule or combination of rules in this notice create an economic impact? Check all that apply.

- State funds affected
- Local funds affected
- Substantial economic impact (>= \$1,000,000)
- Approved by OSBM
- No fiscal note required

CHAPTER 02 - ENVIRONMENTAL MANAGEMENT

SUBCHAPTER 02Q - AIR QUALITY PERMITS PROCEDURES

SECTION .0200 - PERMIT FEES

15A NCAC 02Q .0203 PERMIT AND APPLICATION FEES

(a) The owner or operator of any facility holding a permit shall pay the following annual permit fees:

ANNUAL PERMIT FEES
(FEES FOR CALENDAR YEAR ~~2011~~ 2021)

Facility Category	Tonnage Factor	Basic Permit Fee	Nonattainment Area Added Fee
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PROPOSED RULES

Title V	\$30.00 \$40.00	\$6,500 \$10,000	\$3,500 \$3998
Synthetic Minor		\$1,500	
Small		\$250	
General		50% of the otherwise applicable fee	
<u>General Title V ACI</u>		<u>10% of the otherwise applicable fee</u>	

(Note: fee shaded in gray is fee for calendar year 2020, not adjusted for inflation for 2021)

A facility, other than a Title V facility, that has been in compliance is eligible for a 25 percent discount from the annual permit fees as described in Paragraph (a) of 15A NCAC 02Q .0205(a). Annual permit fees for Title V facilities in this Paragraph shall be adjusted for inflation as described in 15A NCAC 02Q .0204. ~~Annual permit fees for Title V facilities consist of the sum of the applicable fee elements. The current annual permit fees shall be found on the Division's website at <https://deq.nc.gov/about/divisions/air-quality/air-quality-permits/modifying-applying-for-air-quality-permit>. Annual permit fees for Title V facilities in this Paragraph are equal to the sum of the basic permit fee, tonnage factor fee, and nonattainment area added fee, as applicable.~~

(b) In addition to the annual permit fees required by Paragraph (a) of this Rule, the owner or operator of a Title V facility shall pay the following annual complexity fee, as applicable:

- (1) For facilities subject to at least three and no greater than six of the federal programs identified in Paragraph (c) of this Rule, the added annual complexity fee shall be two thousand five hundred dollars (\$2,500); or
- (2) For facilities subject to seven or greater of the federal programs identified in Paragraph (c) of this Rule, the added annual complexity fee shall be seven thousand five hundred dollars (\$7,500).

Annual complexity fees for Title V facilities shall be adjusted for inflation as described in 15A NCAC 02Q .0204.

(c) Each of the programs and regulations identified in Subparagraphs (1) through (5) of this Paragraph are considered a

federal program for the purposes of determining annual complexity fees under Paragraph (b) of this Rule:

- (1) The PSD program is considered one federal program for any facility that is subject to 15A NCAC 02D .0530;
- (2) The Risk Management Program under Section 112r of the Clean Air Act is considered one federal program for any facility that is subject to 15A NCAC 02D .2100;
- (3) Each Subpart under 40 CFR Part 60, New Source Performance Standards (NSPS) is considered one federal program, with the exception of Subparts A, B, Ba, and C;
- (4) Each Subpart under 40 CFR Part 61, National Emission Standards for Hazardous Air Pollutants (NESHAP) is considered one federal program, with the exception of Subpart A; and
- (5) Each Subpart under 40 CFR Part 63, NESHAP for Source Categories, is considered one federal program, with the exception of Subparts A, B, C, D, and E.

The sum of all applicable federal programs identified in Subparagraphs (1) through (5) of this Paragraph shall be used to determine the annual complexity fee in accordance with Paragraph (b) of this Rule.

(b)(d) In addition to the annual permit fee, fee and annual complexity fee, a permit applicant shall pay a non-refundable permit application fee as follows:

PERMIT APPLICATION FEES
(FEES FOR CALENDAR YEAR 1994 2021)

Facility Category	New or Modification	New or Significant Modification	Significant Modification	Minor Modification	Ownership Change
Title V		\$7,200 <u>\$10,177</u>	<u>\$7,000</u>	\$700 <u>\$3,000</u>	\$50 <u>\$60</u>
Title V (PSD or NSR/NAA)	\$10,900 <u>\$15,406</u>				\$50 <u>\$60</u>
Title V (PSD and NSR/NAA)	21,200 <u>\$29,965</u>				\$50 <u>\$60</u>
Synthetic Minor	\$400				\$50
Small	\$50				\$50

PROPOSED RULES

General	50% of the otherwise applicable fee	\$25
General Title V ACI	10% of the otherwise applicable fee	

(Note: fees shaded in gray are fees for calendar year 2020, not adjusted for inflation for 2021)

Permit application fees for Title V facilities shall be adjusted for inflation as described in 15A NCAC 02Q .0204. ~~The current permit application fees shall be found on the Division's website at <https://deq.nc.gov/about/divisions/air-quality/air-quality-permits/modifying-applying-for-air-quality-permit>.~~

~~(e) The current annual permit fees, annual complexity fees, and permit application fees shall be found on the Division's website at <https://deq.nc.gov/about/divisions/air-quality/air-quality-permits/modifying-applying-for-air-quality-permit>.~~

~~(e)(f)~~ If a facility, other than a general facility, belongs to more than one facility category, the fees shall be those of the applicable category with the highest fees. If a permit application belongs to more than one type of application, the fee shall be that of the applicable permit application type with the highest fee.

~~(d)(g)~~ The tonnage factor fee shall be applicable only to Title V facilities. It shall be computed by multiplying the tonnage factor indicated in the table in Paragraph (a) of this Rule by the facility's combined total actual emissions of all regulated air pollutants, rounded to the nearest ton, contained in the latest emissions inventory that has been completed by the Division. The calculation shall not include: include the amount of actual emissions of each pollutant that exceeds 4,000 tons per year and the actual emissions of pollutants listed in Subparagraphs (1) through (4) of this Paragraph as follows:

- (1) carbon monoxide;
- (2) any pollutant that is regulated solely because it is a Class I or II substance listed pursuant to Section 602 of the federal Clean Air Act (ozone depleters);
- (3) any pollutant that is regulated solely because it is subject to a regulation or standard pursuant to Section 112(r) of the federal Clean Air Act (accidental releases); and
- ~~(4) the amount of actual emissions of each pollutant that exceeds 4,000 tons per year.~~
- (4) greenhouse gases.

Even though a pollutant may be classified in more than one pollutant category, the amount of pollutant emitted shall be counted only once for tonnage factor fee purposes and in a pollutant category chosen by the permittee. If a facility has more than one permit, the tonnage factor fee for the facility's combined total actual emissions as described in this Paragraph shall be paid only on the permit whose anniversary date first occurs on or after July 1.

~~(e)(h)~~ The nonattainment area added fee shall be applicable only to Title V facilities required to comply with 15A NCAC 02D .0531 (Sources in Nonattainment Areas), 15A NCAC 02D .0900 (Volatile Organic Compounds), or 15A NCAC 02D .1400 (Nitrogen Oxides) and either:

- (1) are in an area designated in 40 CFR 81.334 as nonattainment, or
- (2) are covered by a nonattainment or maintenance State Implementation Plan submitted for approval or approved as part of 40 CFR Part 52, Subpart II.

~~(i)~~ The facility category, Title V (PSD or NSR/NAA), in the permit application fees table in Paragraph ~~(b)(d)~~ of this Rule means a facility whose application shall be subject to review pursuant to 15A NCAC 02D .0530 (Prevention of Significant Deterioration) or 15A NCAC 02D .0531.

~~(g)(j)~~ The facility category, Title V (PSD and NSR/NAA), in the permit application fees table in Paragraph ~~(b)(d)~~ of this Rule means a facility whose application shall be subject to review pursuant to 15A NCAC 02D .0530 and .0531.

~~(h)(k)~~ Minor modification permit applications that are group processed shall require the payment of only one permit application fee per facility included in the group.

~~(i)(l)~~ No permit application fee shall be required for renewal of an existing permit, for changes to an unexpired permit when the only reason for the changes is initiated by the Director or the Commission, for a name change with no ownership change, for a change pursuant to 15A NCAC 02Q .0523 (Changes Not Requiring Permit Revisions), or for a construction date change, a test date change, a reporting procedure change, or a similar change.

~~(j)(m)~~ The permit application fee paid for modifications pursuant to 15A NCAC 02Q .0400, Acid Rain Procedures, shall be the fee for the same modification if it were subject to 15A NCAC 02Q .0500, Title V Procedures.

~~(k)(n)~~ An applicant who files permit applications pursuant to 15A NCAC 02Q .0504 shall pay an application fee equal to the application fee for the permit required pursuant to 15A NCAC 02Q .0500; this fee shall cover both applications, provided that the second application covers only what is covered under the first application. If permit terms or conditions in an existing or future permit issued pursuant to 15A NCAC 02Q .0500 are established or modified by an application for a modification and if these terms or conditions are enforceable by the Division only, then the applicant shall pay the fee under the column entitled "Minor Modification" in the table in Paragraph ~~(b)(d)~~ of this Rule.

Authority: G.S. 143-215.3(a)(1),(1a),(1b),(1d).

Notice is hereby given in accordance with G.S. 150B-21.2 and G.S. 150B-21.3A(c)(2)g. that the Marine Fisheries Commission intends to amend the rules cited as 15A NCAC 03R .0104, .0117, readopt with substantive changes the rules cited as 15A NCAC 03O .0201, .0202, .0204; 03R .0105; 18A .0146, .0150, .0154, .0155, .0159, .0160, .0167, .0171, .0172, .0179, .0180, .0189, .0190, .0704, .0901-.0907, .0909, .0913, .0914, readopt without substantive changes the rules cited as 15A NCAC 03Q .0101-.0109; 18A .0140-.0143, .0163, .0169, .0170, .0188, and repeal through re Adoption the rules cited as 15A NCAC 18A .0431, .0908, and .0910.

Link to agency website pursuant to G.S. 150B-19.1(c):
<http://portal.ncdenr.org/web/mf/mfc-proposed-rules>

Hearing Officer's Suggested Comments

[Hearing Officer]:

Good evening ladies and gentlemen. My name is Yvonne Bailey and I am a member of the North Carolina Environmental Management Commission. My role as hearing officer is to receive relevant comments on the proposed rule actions, report those comments, and recommend actions to the full Commission.

During this virtual public hearing tonight, we will be receiving oral comments from those individuals who pre-registered to speak at this event. A total of 2 people preregistered. If you are having technical difficulties with Webex, you can use the chat feature in Webex to ask questions or seek assistance. You can also visit the Division of Air Quality's website using the link in the public notice for this hearing for instructions on various ways to connect to Webex.

I will now open the hearing on the proposed amendment to 15A NCAC 02Q .0203, *Permit and Application Fees*. We will now hear a brief presentation from the Division of Air Quality to provide an overview of this proposed rulemaking, after which I will take comments.

[Katherine Quinlan presents PowerPoint]

[Hearing Officer]:

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 the Register will be subject to that inflation adjustment. At this time, the Commission does not know the exact amount of that adjustment, but has published the Rule with the fees as charged in 2020 to give the regulated public a basis upon which to comment.

The public notice for this hearing was published in Volume 35, Issue 7 of the *North Carolina Register* on **October 1, 2020**, and the public notice, Fiscal Note, and proposed rule text were

posted on the Division of Air Quality website. The public notice was also emailed to those on the Division of Air Quality rules development email distribution list. I will add the public notice and the proposed rule changes into the hearing record without reading them at this time.

I will now take any relevant comments on the proposed amendment of 15A NCAC 02Q .0203, *Permit and Application Fees*, and the Fiscal Note. To do this, I will call the names of each of the pre-registered speakers in order, and our Webex Host will unmute the speaker when it is their turn to speak. I will also indicate the name of the next speaker in the queue so that individual can be prepared when their name is called to speak. Please do not start speaking until the Webex Host has indicated that your microphone has been unmuted. It would also be helpful if any person speaking tonight would also submit a written statement for inclusion into the hearing record. If any of the registered speakers has connected to the Webex using a telephone line, please indicate such by pressing *3 when your name is called so that the Webex host can unmute your line.

If we call your name, but cannot hear you after you have been unmuted, please check to see if you are muted on the Webex screen on your computer. If you are having audio issues, try a different method of audio connection within Webex or use the “Call Me” feature to have Webex call your personal telephone line. If we still cannot hear you, we will proceed to the next registered speaker, but will call your name again at the end of the hearing.

{Optional script if there are many speakers}

[Hearing Officer]: Optional Time Limit

A large number of people have pre-registered to speak at this hearing. Due to time constraints, speakers’ presentations will be limited to ___ minutes.

[LISTEN TO ALL SPEAKERS]

[Hearing Officer]:

That is all of the speakers on the pre-registration list. I will now allow anyone in attendance that did not pre-register to make comments as part of the hearing. If you did not pre-register as a speaker but would like to make a comment at this time, please use the raise hand feature to indicate that you would like to speak. If you are attending the hearing using a telephone line and would like to make a comment, you may press * 3 to raise your hand, and the Webex host will unmute you when it is your turn to speak. For all speakers, please state your name and any affiliation, and wait to begin speaking until the Webex host has indicated that you have been unmuted. Additionally, if you did not register to speak, but still want to provide comments on the proposed rulemaking, remember there are several other ways to provide comments until the end of the comment period on November 30, 2020:

- You can call 919-707-8430 and leave a voice mail message with your first and last name, whom you are representing, and state your comments on the revised Title V Fees; or
- You can provide written comments until the comment period ends on November 30, 2020. To provide written comments, please email them to daq.publiccomments@ncdenr.gov with “Title V Fees Hearing” in the subject line.
- You can mail written comments to the address listed in the public notice.
- You can fax written comments to 919-715-0717; please address it to “Rule Development Branch Supervisor”.

At this time, I will open the hearing to take comments from any additional speakers that have utilized the raise hand feature.

[Webex Host facilitates unmuting and speaking order of any additional commenters]

Thank you all for your participation in this virtual public hearing. Based on the information received during tonight’s hearing and public comments received during the comment period, I will make a final recommendation to the Environmental Management Commission as to how to proceed with this rulemaking action.

Again, I thank you for your participation and interest in the public hearing process. This hearing is adjourned.

CHAPTER V

COMMENTS DURING THE COMMENT PERIOD

INDEX OF COMMENTERS

<u>NAME</u>	<u>REPRESENTING</u>	<u>PAGE</u>
Alfre Wimberley	North Carolina Conservation Network	V-2
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Steven Weber	Parker Poe	V-4
Alfre Wimberley and Joel Porter	NC Conservation Network and Clean Air Carolina	V-8
Brittany Iery	NC Conservation Network	V-12
Cassie Gavin	NC Sierra Club	V-40
Alan McConnell	Kilpatrick, Townsend & Stockton, LLP	V-41

Alfrë Wimberley, North Carolina Conservation Network

Thank you, Commissioner Bailey, for the opportunity to share oral comments on the Title V Fee structure changes. As you said before, my name is Alfrë Wimberley and I'm a legislative analyst at the NC Conservation Network. As an organization, we support the proposed changes to the NC Division of Air Quality's fee schedule structuring to avoid an imminent programmatic budget deficit. The proposed fee changes are much needed to support the program's efficacy and its ability to meet federal US EPA standards to keep the right to use a Title V permit in North Carolina. This is important because the State is obligated to maintain this program to federal standards under the Clean Air Act in Section 502(b)(3) to keep the Title V program sufficiently funded or the State could suffer the loss of its operating permit for the 92.4 Title V program as detailed in 40 CFR 70.10(b) and (c). NC DAQ conducted a thorough stakeholder process to vet the alternative funding paths and the stakeholder group included the regulated community, members from the environmental consulting and legal sectors, and the North Carolina Manufacturer's Association, and two nongovernmental environmental groups to ensure departmental and stakeholder satisfaction. The main takeaways from these proceedings were that the fee structure should be kept simple and it should not be often changed, and the fee structuring measures included was charging fees for increased complexity of facilities, charging fees for any modification to facilities, increasing tonnage fees and increasing basic permit fees. It is imperative that the Division augment their fee structure with the regulated community to protect the environment, maintain the legal operation of the Title V program, service to the regulated community. Thank you so much for your time.

Joel Porter, Clean Air Carolina

Thank you very much. Thank you, Commissioner Bailey. Good evening everybody. My name is Joel Porter. I'm the policy manager for Clean Air Carolina. Our organization's mission is to ensure cleaner air quality for all North Carolinians, through education and advocacy, and by working with our partners to reduce sources of pollution. We believe that the changes DAQ proposes to the Title V permit fee structure is in North Carolina's best interest. The Department plays an important role in maintaining a balance between economic development and environmental protection in our state. The changes that DAQ proposes will modernize and update the fee structure of Title V permits, and will allow the Department to continue to attract and retain the talent it needs to continue to assess air permits, provide ongoing compliance monitoring, offer industry certainty, ensure public safety, and provide engagement to communities impacted by the critical issues the Department is involved with. These updates were developed using robust and thorough outreach to stakeholders in the environmental community, and from DAQ's customers in industry. Indeed, increasing the amount charged for Title V permits is transparent, will allow DAQ's customers to forecast and plan for the necessary costs, and ensure compliance with State and Federal regulations. North Carolina is a highly competitive marketplace for the talent that DAQ must attract. We are home to some of the world's best environmental consulting and engineering firms. If approved, the changes will provide the funding needed to remain a competitive and attractive employer, and therefore DAQ's staff can continue to ensure permits and industry are able to meet necessary levels of compliance, and the permit program will continue to meet all legal guidelines. Clean Air Carolina is supportive of the changes and appreciative of the hard work and outreach the Department's staff put into the process developing this new fee structure. Thank you very much for your time and consideration of my comments.

From: [Weber, Steven D.](#)
To: [SVC_DENR.DAO.publiccomments](#)
Subject: [External] Title V Fees Hearing
Date: Monday, November 30, 2020 11:47:54 AM
Attachments: [Title V Fees Hearing Public Comment Letter.pdf](#)

CAUTION: External email. Do not click links or open attachments unless you verify. Send all suspicious email as an attachment to report.spam@nc.gov

Please find attached comments on the North Carolina Division of Air Quality's proposed amendment of the *Permit and Application Fees* rule. Thank you.

Steve Weber

Steve Weber
Partner



**Our Charlotte office location has moved.
We are now located at:**

620 South Tryon Street | Suite 800 | Charlotte, NC 28202
Office: 704.335.9065 | Fax: 704.335.9748 | [vcard](#) | [map](#)

Visit our website at
www.parkerpoe.com

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November 30, 2020

VIA ELECTRONIC MAIL: daq.publiccomments@ncdenr.gov

Rule Development Branch Supervisor
North Carolina Division of Air Quality
1641 Mail Service Center
Raleigh, North Carolina 27699-1641

Re: Title V Fees Hearing

Dear Madame or Sir:

The purpose of this letter is to provide comments on the North Carolina Division of Air Quality's ("DAQ") proposed amendment of the *Permit and Application Fees* rule. I represent numerous regulated industries in North Carolina that operate under Title V and other air permits. My clients and others in the regulated community have concerns regarding DAQ's proposed Title V fee increase.

The primary concern of many in the regulated community with the proposed fee increase is founded on the incomplete context in which the proposed amendment to the rules is being offered. We understand that DAQ recently has learned that for years, the Title V Program costs have been met by non-Title V funds. However, the information presented to date does not appear to be consistent with that discovery. Without the benefit of a financial audit that delineates the extent of the Program's budget that was reportedly incorrectly charged to other funding sources, and that discloses the specific utilization of all revenue sources of DAQ for the prior three years, it would be premature for DAQ to increase fees for one particular sector.

For many years North Carolina charged fees lower than the presumptive amount specified in the Clean Air Act ("CAA"). The CAA gave a presumptive value of \$25/ton of regulated emissions to be charged, that necessarily would charge the largest emitters the most. In North Carolina, that would have meant that the public utilities would have borne the brunt of the funding. While many states did adopt such a fee structure, North Carolina bifurcated the fees into a base fee and a tonnage fee. In this manner, the largest emitters paid less while more of the burden for funding the Program fell on the smaller facilities. The justification was that because the permits for all facilities require some significant level of effort, all regulated emitters should pay a base fee.

The CAA required states that did not charge the presumptive minimum to demonstrate that the states' fees were nevertheless sufficient to fund the Title V Program. The current CAA presumptive fee is \$53/ton. We have questions regarding this value: How does North Carolina's overall revenues compare with this value? When is the last time DEQ made such a demonstration to EPA? Has DEQ heard from EPA that EPA is concerned with North Carolina's funding level?

The request for fee increases focuses on the Title V budget. Helpful context would be provided if DAQ's total budget were provided and audited, rather than simply the Title V budget. We understand that DAQ has stated that after administering the Title V Program for more than 25 years, DAQ has now discovered that many DAQ costs actually should have been charged to the Title V Program all along. If this is the case, it should mean that DAQ's other programs should be seeing a savings in expenditures as funding is shifted to Title V revenues. An examination of the overall DAQ budget might illustrate the savings attributed to the discovery that Title V expenditures reportedly have been incorrectly applied for 25 years. We understand that DAQ has been paying for salary increases that are mandated by the General Assembly so costs have understandably gone up to that extent. A few examples of context that might be provided are included below:

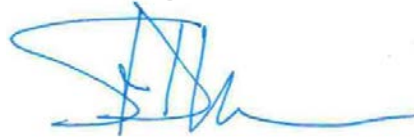
- *I&M costs have declined but expenditures have increased* - In December 2018, more than half of North Carolina's counties were no longer subject to the enhanced inspection and maintenance (I&M) requirements for motor vehicles. This would have reduced DAQ's I&M revenues but also reduced DAQ's I&M expenditures. Indications are that while revenues did drop from this change, DAQ's expenditures for the I&M program actually significantly increased. Can DAQ clarify this apparent inconsistency?
- *Title V payroll should decrease substantially due to retirements* - DAQ's presentation discusses a number of Title V employees who have been with DAQ since the beginning of the Program and will be retiring soon. According to DAQ's numbers, the more experienced staff typically is paid some 20% higher than newer staff. This would mean that the retirement should net DAQ's budget a significant windfall as older staff is replaced with newer staff. Has this windfall been included in DAQ's analysis?
- *Fuel Tax expenditures have increased* - Similarly, expenditures from DAQ's fuel tax account also appear to have risen even though DAQ's revenues are flat.

Finally, we understand that DAQ is seeking a beyond-the-legislative salary increase for DAQ staff. Does DAQ have evidence that staff are leaving because DAQ is unable to pay them sufficiently? Many workers actually are out of work right now. Unemployment in North Carolina is high. In the present economy, it would be surprising to learn that DAQ is having systemic difficulties recruiting and retaining staff.

In sum, many in the regulated community find it difficult to understand why such a significant increase in Title V fees is justified. Further context may help. Understanding the fund shift after administering the Program for so long would be helpful. Such a shift should result in savings elsewhere which is not evident in the proposed budget. A transparent audit would answer these questions. Without such an audit, one could reach a conclusion that DAQ's overall expenditures have increased and that DAQ is seeking to raise Title V fees to cover those non-Title V expenditures.

We appreciate DAQ's consideration of these comments.

With best regards,

A handwritten signature in blue ink, appearing to read 'SDW', with a long horizontal flourish extending to the right.

Steven D. Weber

From: [Alfre Wimberley](#)
To: [SVC_DENR.DAO.publiccomments](#)
Subject: [External] Title V Fees Hearing
Date: Monday, November 30, 2020 2:47:45 PM
Attachments: [image001.png](#)
[image002.png](#)
[image003.png](#)
[image004.png](#)
[FINAL_NCDAQTitleVCommentLetter.pdf](#)

CAUTION: External email. Do not click links or open attachments unless you verify. Send all suspicious email as an attachment to report.spam@nc.gov

Hello Rule Development Branch Supervisor,

I am submitting a comment letter on the proposed rule changes to the Division of Air Quality's fee structure for the Title V program. I have the comment letter attached.

Best,



Alfrë Wimberley (she/her)

NC Conservation Network

Legislative Analyst

alfre@ncconservationnetwork.org

P: 919.857.4699 x 119



North Carolina Conservation Network • Clean Air Carolina

November 30, 2020

Rule Development Branch Supervisor
NC Division of Air Quality
1641 Mail Service Center
Raleigh, NC 27699-1641
DAQ.publiccomments@ncdenr.gov

Sent via email

Re: Title V Fee Revisions - Amendment to 15A NCAC 02Q .0203

Dear Rule Development Branch Supervisor,

Thank you for the opportunity to submit comments on the proposed changes to the NC Division of Air Quality's (NCDAQ's) Title V program fee structure. The North Carolina Conservation Network and Clean Air Carolina advocate for a just and sustainable future for North Carolina. Our supporters live in communities across the state, many in proximity to sites that will be regulated by the proposed rules.

We support the proposed changes to NCDAQ's fee schedule restructuring of the Title V program to avoid an imminent programmatic budget deficit. The proposed fee changes **are much needed to support the program's efficacy and its ability to meet federal** US Environmental Protection Agency standards. **The State's** federal obligation to maintain the operation of the 92.4 Title V program is stated in Section 502(b)3 of the Clean Air Act and the federal guidelines for the assessment of the State program are outlined in 40 CFR 70.10(a), (b), (c), and (d).

NCDAQ conducted a thorough stakeholder process to vet alternative funding paths for the Title V program. The stakeholder groups that were engaged by the Department included the regulated community, members from the environmental consulting and legal **sectors, the North Carolina Manufacturer's Association, and two nongovernmental** environmental groups.

The proposed fee changes are needed to avoid a program deficit of \$1,769,008 in the near future. Other ramifications of continued thin program margins or a possible budget deficit of the program include:

- Salaries for staff continuing to lag behind the market average causing difficulty in attracting and keeping talent, especially engineering talent.
- Continued decreases in fees could lead to staff cutbacks resulting in decreased quality of environmental protection for citizens.

- A reduction in the quality of service for the regulated community that could create longer permit processing timeframes.

In response to the looming deficit, NCDQA is proposing changing the Title V program fee schedule in multiple ways to ensure departmental and stakeholder satisfaction. The major takeaways from the stakeholder process were that the fee structure should be kept simple and it should not be often changed to allow for a reasonable level of certainty for the regulated community. The proposed fee restructuring measures include:

- Charging higher fee rates for any increased complexity or modifications of permitted facilities
- Increasing the base tonnage and basic permit fees

The Division considered other alternatives, but these options were not further considered due to the projected funding generation not meeting the estimated deficit for the Title V program. The alternative scenarios include:

Alternative Fee Revision Scenarios	Expected Result
No fee structures changes	This strategy would produce budget shortfalls already previously projected.
Larger increases in tonnage fees	The tonnage per facility will continue to decrease so this will inevitably cause the same budget shortfalls in the future, although, possibly on a longer timetable.
Permits are based on the staff hours needed to process the permits and monitor the facilities	This model would create uncertainty for the regulated community since the cost of the permits and monitoring could be inconsistent each year.

Table 1: Displays alternative fee structure revisions and the expected result of each respective action.

In conclusion, the Division must augment their Title V program fee structure to protect the environment, maintain the legal operation of the Title V program, and continue to provide quality service to the regulated community. The extensive stakeholder process conducted by the Division and careful consideration of alternative fee structure schemes make the changes proposed likely to create little to no resistance and result in a smooth transition to the new fee structure model.

Sincerely,

Alfre Wimberley

Legislative Analyst

NC Conservation Network

Joel Porter

Policy Manager

Clean Air Carolina

From: [Brittany Iery](#)
To: [SVC_DENR.DAO.publiccomments](#)
Subject: [External] Title V Fees Hearing.
Date: Monday, November 30, 2020 3:24:09 PM
Attachments: [Title V Fees Hearing - NC Conservation Network Petition Signatures.pdf](#)

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Dear Mr. Knowlson,

Please see the attached petition signed by 866 North Carolina residents, which supports the proposed fee restructuring for the Title V permit program by the Division of Air Quality in DEQ.

Thank you for your time and please let me know if you have any questions or need additional information.

Brittany

Brittany Iery, Online Organizer
NC Conservation Network
919.857.4699 x 108
<http://www.ncconservationnetwork.org/>



**North Carolina
Conservation
Network**

234 Fayetteville Street
5th Floor
Raleigh, NC 27601
919.857.4699

November 30, 2020

Patrick Knowlson
Rule Development Branch Supervisor
NC Division of Air Quality
1641 Mail Service Center
Raleigh, NC 27699-1641

Re: Title V Fees Hearing

Dear Mr. Knowlson,

Please see the attached petition, signed by over 866 North Carolina residents, which supports the proposed fee restructuring for the Title V permit program by the Division of Air Quality in DEQ. This fee restructuring plan has been through a thorough stakeholder process that included the regulated community, environmental consulting and legal sectors, the North Carolina Manufacturer's Association, and two nongovernmental environmental groups.

The fee restructuring is vital to retaining talent in DAQ, proper management of the program, and to avoid a program deficit in the coming years.

Thank you for your time and please let me know if you have any questions or need additional information.

Sincerely,

A handwritten signature in black ink that reads "Brittany Iery".

Brittany Iery, Online Organizer
NC Conservation Network
234 Fayetteville Street, 5th Floor
Raleigh, NC 27601
919-857-4699

We, the undersigned, support the proposed fee restructuring for the Title V permit program by the Division of Air Quality in DEQ. This fee restructuring plan has been through a thorough stakeholder process that included: the regulated community, environmental consulting and legal sectors, the North Carolina Manufacturer's Association, and two nongovernmental environmental groups.

This means that the changes have been vetted by the majority of stakeholders affected by the changes. Alternative fee structures have been effectively considered so the proposed path is best for the preservation of the State's permit to run the Title V program. The fee restructuring is vital to retaining talent in DAQ, proper management of the program, and to avoid a program deficit in the coming years.

Please approve the proposed changes to this program's fee schedule.

Thank you.

Sincerely,

	First Name	Last Name	Street Address Line 1	City	State	Zip Code
1.	Debbie	Burns	3802 Bulluck School Rd	Rocky Mount	NC	27801-9188
2.	Stephanie	Scaramelli	383 Bellwood Drive	Henderson	NC	27536
3.	Gary	Williams	937 Long School Road	Littleton	NC	27850
4.	John & Emy	Hinnant	503 Mount Vernon Dr Nw	Wilson	NC	27893-2227
5.	Ted	Frazer	6 Drakesway Ct	Durham	NC	27713-2042
6.	Kenneth	Crews	P. O. Box 1062	Durham	NC	27702
7.	Lisa	Mcdowell	7 Guilford Pl	Durham	NC	27713-6277
8.	Elaine	Levine	Po Box 99	Newport	NC	28570
9.	Betsy	Bickel	117 W Trinity Ave	Durham	NC	27701
10.	Connie	Raper	2614 Woodmont Dr	Durham	NC	27705
11.	Connie	Raper	2614 Woodmont Dr	Durham	NC	27705-2760
12.	Anthony	Madejczyk	2705 Highland Ave	Durham	NC	27704-4307
13.	Tracy	Feldman	5306 Pelham Rd Suite 103	Durham	NC	27713
14.	Angela	Vieth	3009 Bexley Ave	Durham	NC	27707-2843
15.	John	Wiles	5205 Langford Ter	Durham	NC	27713
16.	Claudia	Kaplan	4911 Victoria Drive	Durham	NC	27713
17.	Amy	Dosser	4615 Willa Way	Durham	NC	27703-5843
18.	Elizabeth	Hull	3026 Little River Dr	Hillsborough	NC	27278
19.	Beth	Harvat	3607 Cole Mill Rd	Durham	NC	27712
20.	Carol	Rist	1 Barratts Chapel Court	Durham	NC	27705
21.	Charles	Weil Phd Pg	4125 Farrington Road	Durham	NC	27707
22.	Dwight	Deuring	73 Seminole Dr	Franklin	NC	28734-0631
23.	Diane	Allen	2622 Pickett Rd	Durham	NC	27705
24.	Jose	Solera	7 Shadow Moss Pl	Durham	NC	27705-2673
25.	Joy	Metelits	411 Cedar Club Cir	Chapel Hill	NC	27517
26.	Marian	Dessent	10 Macgregor Ct	Durham	NC	27705
27.	Patrick	Hennessey	4427 Hope Valley Rd #103	Durham	NC	27707
28.	Susan	Saenger	6 Scotland Pl	Durham	NC	27705
29.	Thomas	Struhsaker	2953 Welcome Dr	Durham	NC	27705-5555
30.	Catherine	Kastleman	321 Monmouth Ave	Durham	NC	27701-1816
31.	Matthew	Floding	12 St. Elias Drive	Durham	NC	27705
32.	Gillian	Iery	608 Short Spoon Cir	Rocky Mount	NC	27804-6412
33.	Lisa	Lewis	112 Carrington Dr	Garner	NC	27529
34.	Douglas	Van Luvender	606 Blazing Star Ct	Garner	NC	27529

35.	Lynne	C.	6032 Kentworth Dr	Holly Springs	NC	27540
36.	Minnie	White	214 Mcintyre Ln	Rocky Mount	NC	27804
37.	Diane	Narron	7978 Bailey Rd	Middlesex	NC	27557-9716
38.	Carolyn	Turner	7307 Huddlestone Rd	Bailey	NC	27807
39.	Leo	Burkett	103 E Meadowbrook Dr	Smithfield	NC	27577-4355
40.	Patrice	Hubert	114 Michael Way	Clayton	NC	27520
41.	Lesia	Mills	Po Box 1183	Clayton	NC	27528
42.	Erika	Ast	2605 Ladybank Ln	Fuquay Varina	NC	27526-5557
43.	Martha	Smith	510 W Harnett St	Dunn	NC	28334
44.	Robert	Brown	333 Chinaberry Ln	Angier	NC	27501
45.	John	Godfrey	709 Montville Ct	Wake Forest	NC	27587
46.	Karin	Petzold	3517 Mount Prospect Cir	Raleigh	NC	27614-7588
47.	Daniel	Mccullough	1403 Mordecai Dr Raleigh	Raleigh	NC	27604
48.	John	Franklin	11504 Hyde Pl	Raleigh	NC	27614
49.	Hylin	Mcneeley	1208 New Grissom Way	Wake Forest	NC	27587-6212
50.	Cathi	Seligmann	1900 Mountain High Rd	Wake Forest	NC	27587
51.	Lisa	Lambert	1136 Mauldin Cir	Wake Forest	NC	27587-4420
52.	Michael	Eisenberg	5033 Bartons Enclave Ln	Raleigh	NC	27613-8565
53.	Scott	Symes	5909 Weather Rock Ct	Raleigh	NC	27613
54.	Todd	Fields	2413 Pleasant Union Church Rd	Raleigh	NC	27614-7111
55.	Lawrence	Fetter	7601 Audubon Drive	Raleigh	NC	27615
56.	Peter	Van Dorsten	7301 Rainwater Rd	Raleigh	NC	27615
57.	Barbara	Harvey	102 Ayr Ct # 25 25	Cary	NC	27511-6402
58.	Barry	Rosett	2419 Tiltonshire Ln	Apex	NC	27539
59.	Jeffrey	Snow	3108 Hunters Bluff Dr	Raleigh	NC	27606
60.	David	Biesack	3671 Echo Farms Blvd	Wilmington	NC	28412
61.	Diane	Zoller	3503 Pony Soldier Dr	Apex	NC	27539-6899
62.	Farshid	Bondar	128 Castlewood Dr	Cary	NC	27511
63.	Jane Ann	Hughes	7760 Netherlands Dr	Raleigh	NC	27606
64.	Tom	Winstead	7905 Tulip Cir	Raleigh	NC	27606-9610
65.	Debbie	Kenyon	509 Gablefield Ln	Apex	NC	27502-1361
66.	Lori	Mayes	10521 Leslie Drive	Raleigh	NC	27615
67.	Michelle	Jacobs	100 Marleton Way	Holly Springs	NC	27540
68.	Miriam	Youngquist-Thurow	6209 Thurlow Ct	Holly Springs	NC	27540
69.	Stephen	Boletchek	1106 Elbury Drive	Apex	NC	27502

70.	Luiza	Beltrao	1601 Glazebrook Drive	Wake Forest	NC	27587
71.	Amy	Popp	6905 Pinnacle Ridge Rd	Raleigh	NC	27603-9126
72.	Mae	Basye	501 Quest Ridge Dr	Fuquay Varina	NC	27526-8719
73.	Linda	Willard Brown	914 Waterlily Rd	Coinjock	NC	27923-9735
74.	Barry	Anderson	111 W Oregon Ave	Kill Devil Hills	NC	27948-9034
75.	Colleen	Shriver	118 Carolina Ct W	Manteo	NC	27954-9545
76.	Ginny	Nolan	3204 S Memorial Ave	Nags Head	NC	27959
77.	Haley	Winslow	1400 Harpoon Dr	Kill Devil Hills	NC	27948-9320
78.	Scott	Bradley	Po Box 402	Ocracoke	NC	27960
79.	Timothy	Aland	134 Castle Court	Washington	NC	27889
80.	Donald	Barker	23 13Th Avenue	Southern Shores	NC	27949-3209
81.	Christopher	Randall	203 E. Sunset Blvd.	Cove City	NC	28523
82.	April	Hardee	7528 Sound Dr	Emerald Isle	NC	28594
83.	William	Kenneke	402 Holly St	Emerald Isle	NC	28594
84.	Robert	Austin	135 Williston Creek Road	Williston	NC	28579
85.	Bob	Mcelroy	151 Mimosa Blvd	Atlantic Beach	NC	28512-6525
86.	Christine	Voss	106 Locust Ct	Atlantic Beach	NC	28512-6518
87.	Janice	Carroll	205 Arden Rd	Emerald Isle	NC	28594
88.	Cassie	Gurganus	151 Lela Ln	Jacksonville	NC	28540-8665
89.	Lawrence	East	329 Richlands Ave Apt 8	Jacksonville	NC	28540
90.	Thomas	Weissenberger	2135 Catherine Lake Rd	Richlands	NC	28574-8124
91.	Linda	Kehew	211 Buckingham Dr	Winterville	NC	28590
92.	Elizabeth	Keyser	5609 Old Forge Circle	Raleigh	NC	27609
93.	Brittany	Iery	1116 Holburn Pl	Raleigh	NC	27610
94.	Chris	Conley	4800 Walden Ct Apt B	Raleigh	NC	27604
95.	Doris	Jackson	5405 Wheatcross Place	Raleigh	NC	27610
96.	Peter	Walz	1116 Culpepper Ln	Raleigh	NC	27610
97.	Sterling	Bowen	109 N King Charles Rd	Raleigh	NC	27610
98.	George	Lloyd	1007 Crabtree Ct	Knightdale	NC	27545-9294
99.	Vicki	Parker	2053 Willow Springs Lane	Burlington	NC	27215
100.	April	Wilson	1704 Sorrell Brook Way	Raleigh	NC	27609
101.	Ben	Wetzel	9005 Walking Stick Trl	Raleigh	NC	27615-4018
102.	Joe	Bearden	1809 Lakepark Dr	Raleigh	NC	27612
103.	Karla	Heinen	408 Northclift Dr	Raleigh	NC	27609
104.	Ken	Bosch	4404 Quail Hollow Dr	Raleigh	NC	27609-6018

105.	Vickie	Penninger	711 Kimbrough St	Raleigh	NC	27608-2723
106.	Joann	Ockerlander	9939 Treymore Dr.	Raleigh	NC	27617
107.	Doris	Whitfield	109 Renwick Ct	Raleigh	NC	27615-2946
108.	Erik	Schreiner	423 Chesterfield Road	Raleigh	NC	27698
109.	Elizabeth	Kearse	2113 Oakcrest Ct	Raleigh	NC	27612
110.	Cindy	Levey	8012 Clear Brook Dr	Raleigh	NC	27615
111.	Tim	Thronson	7437 Capstone Drive	Raleigh	NC	27615
112.	Cheryl	Mcgraw	1004 Braxton Ct	Raleigh	NC	27606
113.	Dana	Thalheimer	407 Tynemouth Dr	Cary	NC	27513
114.	Michi	Vojta	3725 Eakley Ct	Raleigh	NC	27606
115.	Michael	Martin	900 Duncan Vale Way Apt 204	Cary	NC	27511
116.	Sharon	Paterson	2084 Weston Green Loop	Cary	NC	27513
117.	Wj	Richardson	3712 Bryn Mawr Ct	Raleigh	NC	27606
118.	Andreas	Batz	1007 Manchester Dr	Cary	NC	27511
119.	Lyle	Adley-Warrick	128 Ellington Oaks Ct	Raleigh	NC	27603-1686
120.	Mary	Frazer	1716 Evergreen Ave	Raleigh	NC	27603-3078
121.	Jessica	Heironimus	913 W. Morgan St.	Raleigh	NC	27603
122.	Barbara	Gerlach	2737 Rosedale Av.	Raleigh	NC	27607
123.	Rebecca	Burmester	2121 North Hills Dr Apt I #203	Raleigh	NC	27612
124.	Eileen	Juric	511 Adams Street	Raleigh	NC	27605
125.	Shelley	Frazier	1200 E Oak Dr	Durham	NC	27712
126.	Grady	Mccallie	211 Dennis Ave	Raleigh	NC	27604-2136
127.	Helen	Gray	1020 W Peace St Apt U8	Raleigh	NC	27605
128.	Kathleen	Mcquaid	802 Brooklyn St	Raleigh	NC	27605-1421
129.	Lynn	Lyle	700 N East St	Raleigh	NC	27604
130.	Nina	Allen	2128 Clark Ave, 505	Raleigh	NC	27605
131.	Sandra	Sotelo	505 Banks St	Raleigh	NC	27604
132.	Thomas	Quinn	2934 Glenridge Dr	Raleigh	NC	27604
133.	Zola	Packman	1011 Nicholwood Dr	Raleigh	NC	27605-3239
134.	Andrew	Whittaker	1115 Balmoral Dr	Cary	NC	27511-5126
135.	Harrison	Marshall	504 Greenwood Circle	Cary	NC	27511
136.	Susane	Boukamel	200 Fox View Pl Cary	Nc	NC	27511
137.	Willard	Seehorn	110 Muir Woods Dr	Cary	NC	27513-4756
138.	Helen	Tart	611 Monroe Drive	Raleigh	NC	27604
139.	Donna	Willard	Po Box 43	Morrisville	NC	27560-0043

140.	Olga	Bushel	207 Firetree Ln	Cary	NC	27513
141.	Sandra	Hutchinson	2309 Duck Pond Cir Apt H	Morrisville	NC	27560-9679
142.	Donald	Fuchs	4609 Wee Burn Trl	Raleigh	NC	27612
143.	Kay	Reibold	4108 Yates Mill Pond Rd	Raleigh	NC	27606
144.	Shirley	Ware-Gully	103 Bellshill Ct Shirl	Cary	NC	27513
145.	Deb	Carr	2007 Castleburg Dr	Apex	NC	27523-5154
146.	Linda	Lahre	210 Cochet Ct	Cary	NC	27511-6114
147.	Janey	Mcmillen	806 Knollwood Dr	Apex	NC	27502-1526
148.	Karl	Thor	109 Draymore Way	Cary	NC	27519-8677
149.	Elaine	Corbitt	102 Duxbury Dr	Cary	NC	27513-6270
150.	Frank	Moore	3301 Carolina Lily St	Cary	NC	27519-6710
151.	Heidi	Uhlenberg	1009 Macabee Court	Angier	NC	27501
152.	Jessica	Boggs Spellman	1816 Creek Oak Circle	Fuquay Varina	NC	27526
153.	Krissa	Johnson-Sotomayor	106 Spring Needle Ct	Cary	NC	27523
154.	Michael	Welke	3108 Bluff Oak Drive	Cary	NC	27519
155.	Jon	Pitt	2011 Ford Gates Dr	Garner	NC	27529
156.	Kimberly	Hurtt	2712 Quail Point Dr Apt 101	Raleigh	NC	27603-8926
157.	Carol	Young	5808 Williamsburg Way	Durham	NC	27713-2636
158.	Susan	Ricker	135 Montclair Cir	Durham	NC	27713
159.	Albert	Hardy	5619 Community Dr	Durham	NC	27705-8123
160.	Robert	Jenks	212 Weldon Ridge Drive	Durham	NC	27705
161.	Doyle	Graham	5106 Murphy School Rd	Durham	NC	27705-8037
162.	Ivy	Brezina	120 Red Bud Ln	Chapel Hill	NC	27514-1736
163.	Jami	Haigler	249 Blalock Dr	Prospect Hill	NC	27314-9442
164.	Janine	Tokarczyk	109 N Oakland Dr	Mebane	NC	27302-3301
165.	Larry	Bohs	5001 Murphy School Rd	Durham	NC	27705
166.	Ruth	Zalph	750 Weaver Dairy Rd. #3106	Chapel Hill	NC	27514
167.	Suzy	Lawrence	8622 Ryan Rd	Chapel Hill	NC	27516
168.	Arielle	Schechter	440 Bayberry Dr	Chapel Hill	NC	27517
169.	Alice	Hoole	309 Briarbridge Valley Rd	Chapel Hill	NC	27516-2903
170.	Sue-Anne	Solem	310 Umstead Dr	Chapel Hill	NC	27516
171.	Carson	Harkrader	400 W Main St Ste 503	Durham	NC	27701
172.	Chris	Moses	125 Sprunt St	Chapel Hill	NC	27517-7810
173.	Dann	Carnes	145 Windsor Cir	Chapel Hill	NC	27516
174.	David	Flora	550 Carolina Meadows Villa	Chapel Hill	NC	27517

175.	Don & Darlene	Wells	308 Mitchell St	Hillsborough	NC	27278-2130
176.	Wendy	Costa	500 Umstead Dr Apt A202	Chapel Hill	NC	27516-1618
177.	Eli	Celli	407 Legends Way	Chapel Hill	NC	27516-4371
178.	Marc	Pendergast	203 Glenview Pl 10	Chapel Hill	NC	27514-1950
179.	Eric	Horlbeck	405 Simerville Rd	Chapel Hill	NC	27517
180.	Jefferson	Holt	Po Box 1029	Carrboro	NC	27510-1029
181.	Leslie	Stewart	414 Dark Forest Dr	Chapel Hill	NC	27516-3708
182.	Lisa	Hazirjian	210 Purple Leaf Pl	Carrboro	NC	27510-2383
183.	Melissa	Hudgens	104 Eastgreen Dr	Chapel Hill	NC	27516
184.	James	Corrigan	11010 Lake Grove Blvd Ste 100	Morrisville	NC	27560-7392
185.	George	Phillips	101 Boyd Dr Apt 2D Apt 36	Flat Rock	NC	28731-8785
186.	Sarah	Shapard	600 Copperline Dr Unit 201	Chapel Hill	NC	27516
187.	Janet	Tice	310 Umstead Dr	Chapel Hill	NC	27516
188.	Stephanie	Rogers	1008 Starfield Circle	Hillsborough	NC	27278
189.	William	Stone	112 Rock Spring Court	Carrboro	NC	27510
190.	Michele	Clark	109 Shadowood Dr Apt V	Chapel Hill	NC	27514
191.	Catherine	West	1002 Willow Dr. Apt.61	Chapel Hill	NC	27514-2938
192.	Catherine	Marie	3612 Morningside Dr	Raleigh	NC	27607
193.	Denis	Obrien	1535 Caraleigh Mills Ct	Raleigh	NC	27603
194.	Elizabeth	O'Brien	200 Waters Dr	Southern Pines	NC	28387
195.	James	Womble	2700 N Mayview Rd	Raleigh	NC	27607
196.	Andra	Eich	121 Ashley Ln	King	NC	27021-7837
197.	John	Nygren	1125 Dodson Ridge Rd	Walnut Cove	NC	27052-7811
198.	Annette	Tenny	1097 N Stokes School Rd	Danbury	NC	27016
199.	Rebecca	Dresser	Po Box 316	Danbury	NC	27016-0316
200.	Donna	Thompson	14591 Elki Hwy 268	Ronda	NC	28670
201.	Iris	Carman	327 Lakewood Dr	Wilkesboro	NC	28694
202.	Rose	Shulman	346 Piney Grove Church Rd	Traphill	NC	28685
203.	Patricia	English	313 Deer Creek Lane	Wilkesboro	NC	28697
204.	Carol	Fulton	4000 Rookwood Lane	Wisnton-Salem	NC	27106
205.	Erin	Ehrhardt	3413 Us 21 Hwy	Hamptonville	NC	27020-7309
206.	Marjorie	Geer	4203 Gateway Place Ln	Kernersville	NC	27284-3480
207.	Roberta	Calgaro	7285 Orchard Path Dr	Clemmons	NC	27012-8564
208.	Hellen	Shore	414 South Main St	Kernersville	NC	27284
209.	Donna	Burke	2333 Rosewood	Winston Salem	NC	27103

210.	Ronald	Sigrist	4383 Creekridge Ln	Kernersville	NC	27284-9635
211.	Paul	Williams	236 Logan Ct	King	NC	27021-9462
212.	Joanne	Heckel	115 Sir Patricks Ct	Clemmons	NC	27012
213.	Matilda	Phillips	185 Driftwood Lane	Winston Salem	NC	27104
214.	Astrid	Beisner	429 Nottingham Dr	Chapel Hill	NC	27517-6581
215.	Charles	Moore	126 Vintage Ave	Winston Salem	NC	27127
216.	Carol	Keeser	1976 Tiger Eye Court Apt 103	Winston Salem	NC	27127-8008
217.	Jeff	Bohan	900 Teague Rd.	Winston Salem	NC	27107
218.	Nancy	Byrum	1836 Flatrock St	Winston Salem	NC	27107-2420
219.	Alice	Stack	5721 Fox Chase Dr	Winston Salem	NC	27105
220.	Donna	Pellett	5578 Pinebrook Ln	Winston Salem	NC	27105
221.	Karen	Mccoy	141 Lasley Court	Winston-Salem	NC	27105
222.	Thomas	Mann	3625 Bechler Ln	Winston Salem	NC	27106-2869
223.	Debi	Engelhaupt	828 B W 7Th St	Winston-Salem	NC	27101
224.	Nadine	Duckworth	804 Deal Farm Ln Apt #	Taylorsville	NC	28681
225.	William	Garrard	472 22Nd Ave Ne	Hickory	NC	28601-1520
226.	Chloe	Tipton	155 Arrowood Rd	Weaverville	NC	28787-9612
227.	R.	Schlagal	120 Highland Ave	Boone	NC	28607
228.	Thomas	Johnson	2455 Holloway Mountain Rd	Blowing Rock	NC	28605
229.	Joan	Hearn	1741 Blackberry Rd	Boone	NC	28607-7099
230.	Kathryn	Mclain	136 Brooks Landing Dr	Winston Salem	NC	27106
231.	Richard	Marter	3250 Midkiff Rd	Winston Salem	NC	27106-3030
232.	Dawn	Ehli	129 Lantern Ridge Ln	Cary	NC	27519-7163
233.	Laura	Young	3400 Deep River Rd	Sanford	NC	27330-6560
234.	Armstrong	Pillow	16 Glenmore Dr	Durham	NC	27707-3975
235.	Rebecca	Laprade	5311 Bancroft Rd	Greensboro	NC	27405
236.	Earlene	Gentry	10620 Nc Highway 700	Pelham	NC	27311-8150
237.	Karen H.	Schneider	289 Ralph Daniel Rd.	Pelham	NC	27311
238.	Adrian	Smith	110 Jones St	Moncure	NC	27559
239.	Rebekkah	Cote	Po Box 292	Bynum	NC	27228
240.	Billie	Hinton	196 Meadow View Dr	Moncure	NC	27559
241.	Emily	Zucchino	80 Debra Ln	Asheville	NC	28806
242.	Holmes	Graybeal	3348 Alston Chapel Rd	Pittsboro	NC	27312-9029
243.	James	Garbutt	595 Pokeberry Ln	Pittsboro	NC	27312-5408
244.	Jeannie	Ambrose	675 Lichen Trail	Pittsboro	NC	27312

245.	Jason	Palivoda	6513 Thetford Ct	Raleigh	NC	27615
246.	Laura	Heise	3396 Alston Chapel Rd	Pittsboro	NC	27312
247.	Eileen	Mccorry	4103 Fearington Post	Pittsboro	NC	27312-5049
248.	Mj	Copeland	220 Chatham Business Dr	Pittsboro	NC	27312
249.	Peggy	Wilson	640 Hogan Farm Rd	Apex	NC	27523
250.	Susan	Kilzer	20016 Bragg	Chapel Hill	NC	27517-8358
251.	Sharon	Garbutt	595 Pokeberry Lane	Pittsboro	NC	27312
252.	Susan	Henning	558 East Rd	Pittsboro	NC	27312-8640
253.	Sarah	Weil	106 Lindsey St	Pittsboro	NC	27312-9301
254.	Robert	Mccormick	531 N. Gurney St.	Burlington	NC	27215
255.	Bruce	Kirchoff	5504 Ashmont Dr	Greensboro	NC	27410
256.	Michelle	Wright	221 Fair Oaks Ct	Mebane	NC	27302-7984
257.	David	Andes	4005 Stoney Creek Church Rd	Elon	NC	27244-8610
258.	Louisa	Dang	1236 Jamestowne Dr	Elon	NC	27244
259.	Jackie	Allen	8152 Sylvan Rd	Liberty	NC	27298-8388
260.	Sandra	Dishman	1883 Prince Edward Dr	Elon	NC	27244-9172
261.	Suki	Roth	7922 Mcbane Mill Rd	Graham	NC	27253-9784
262.	Corinne	Benbow	2736 Cedar Falls Rd	Franklinville	NC	27248
263.	Denise	Brown	432 Brady Street Ext	Ramseur	NC	27316-8704
264.	Elizabeth	Hinshaw	1214 Providence Church Road	Randleman	NC	27317
265.	John	Freeze	648 Chaney Road	Asheboro	NC	27205
266.	Wanda	Buckmaster	3895 Randolph Church Rd	Liberty	NC	27298
267.	Anne	Jones	2304 Brandt Vlg	Greensboro	NC	27455
268.	Andrew	Meulendyk	7714 Whipple Trl	Greensboro	NC	27455
269.	Jessica	Wells	8309 Richardsonwood Rd	Browns Summit	NC	27214
270.	Paul	Sanders	6178 Centre Camp Ct	Greensboro	NC	27455-8315
271.	Stephanie	Benson	6808 Palomino Ridge Ct	Summerfield	NC	27358
272.	Douglas	Meacham	7203 Saint Crispins Way	Summerfield	NC	27358
273.	Katherine	Williams	2102 Bryant St	Madison	NC	27025
274.	Molly	Follweiler	206 S Lonesome Rd	Madison	NC	27025
275.	Sandra	Niegelsky	140 W Franklin St Unit 427	Chapel Hill	NC	27516-2584
276.	Becky	Sims	4171 Old Julian Rd	Julian	NC	27283
277.	Kristiana	Van Eyk	632 Mountain Rd	Asheboro	NC	27205
278.	Ronald	Clayton	10860 Old Us Highway 70	Cove City	NC	28523
279.	Tim	Mengel	6118 Branson Davis Rd	Randleman	NC	27317

280.	Judith	West	339 Gregg St	Archdale	NC	27263-3303
281.	Paula	Stober	3607 Timberoak Dr	Greensboro	NC	27410
282.	Frances	Dennis	115 Overview Ln	Cary	NC	27511-4534
283.	Michele	Hickman	341 Lafayette St	Wilmington	NC	28411-6796
284.	Robert	Rossi	94 Nandina Dr	Hampstead	NC	28443-3679
285.	Barry	Auman	543 Sunset Lakes Blvd Sw	Sunset Beach	NC	28468-4901
286.	Brian	Beauregard	7271 Schooners Ct Sw	Ocean Isle Beach	NC	28469
287.	Craig	Brown	670 Kings Trail	Sunset Beach	NC	28468
288.	Christina	Gallo	95 Carolina Shores Dr	Carolina Shores	NC	28467-2602
289.	Jack	Balsinger	1312 Taswell Ct	Leland	NC	28451-9493
290.	Carla	Kirker	206 W Main St	Sunset Beach	NC	28468-4138
291.	Michael	Mcconney	1116 Princesa Ct Sw	Ocean Isle Beach	NC	28469
292.	Martin	Hazeltine	7614 Dunbar Dr Sw	Sunset Beach	NC	28468
293.	Miles	Varner	114 Nw 3Rd St	Oak Island	NC	28465-6809
294.	Lynn	Smith	1176 Riverview Dr Sw	Shalotte	NC	28470-4602
295.	Suzanne	May	1246 Lillibridge Dr	Leland	NC	28451-7020
296.	Terrell	Shortsleeve	6367 Havencrest Drive Sw	Ocean Isle Beach	NC	28469
297.	Fredrick	Milano	Po Box 1518	Boone	NC	28607
298.	Regina	Cicchetti	1147 Greensview Cir 1147	Leland	NC	28451
299.	Esther	Murphy	7235 Darden Rd. #127	Wilmington	NC	28411
300.	Ishtar	Sunstar	928 Bonham Av.	Wilmington	NC	28403
301.	James	Zizzo	2304 Wrightsville Ave. 106	Wilmington	NC	28403
302.	Kathy	Lambui	712 Orange St	Wilmington	NC	28401
303.	Karen	Langelier	3613A Saint John'S Ct 17	Wilmington	NC	28403
304.	Penelope	Grover	207 N 7Th St #2	Wilmington	NC	28401
305.	Steve	Roberts	202 S 3Rd St Apt 10	Wilmington	NC	28401
306.	Wendie	Schneider	120 Church Street	Wilmington	NC	28401
307.	William	St. George	2217 Camellia Dr.	Wilmington	NC	28403
308.	Andy	Sefton	4937 Crosswinds Dr	Wilmington	NC	28409-8944
309.	Barbara	Brown	C1 101Seahorse Lane C-1	Carolina Beach	NC	28428
310.	Beth	Hansen	3722 Amber Dr	Wilmington	NC	28409
311.	Janis	Wootten	3805 Mayfield Ct	Wilmington	NC	28412
312.	Trey	Arnett	6614 Wedderburn Dr	Wilmington	NC	28412
313.	Kimberly	West	1912 Washington St	Wilmington	NC	28401
314.	Andrew	Marhevsky	5017 Dockside Dr	Wilmington	NC	28409

315.	M	Stanley	Central Blvd	Wilmington	NC	28401
316.	Nicole	Wolf-Camplin	125 Cheyenne Trail	Wilmington	NC	28409
317.	Amy	Sawyer	1602 Bertram Dr	Carolina Beach	NC	28428-4143
318.	Katherine	Hill	509 Whiting Cove	Wilmington	NC	28412
319.	Daniel	Shade	5237 Woods Edge Rd	Wilmington	NC	28409
320.	Amanda	Morgan	105 Mishoe Road	Castle Hayne	NC	28429
321.	Anthony	Snider	350 Valhalla Road	Southern Pines	NC	28387
322.	Cora	Brazell	5005 Oleander Dr	Wilmington	NC	28403-7016
323.	Elizabeth	Bauereis	416 Black Diamond Dr	Wilmington	NC	28411-8376
324.	Glenn	Meyer	6442 Quail Run Rd	Wilmington	NC	28409-2203
325.	Peter	Schulz	2616 Hargate Ct	Wilmington	NC	28405
326.	Mercedes	Hyman	6832 Main St	Wilmington	NC	28405-4167
327.	Renee	Ertischek	539 Windstar Ln	Wilmington	NC	28411
328.	Shannon	Harper	511 Old Mill Rd	Castle Hayne	NC	28429
329.	Gerald	Borrelli	5029 Whitner Dr Whitner Dr	Wilmington	NC	28409
330.	Miles	Murphy	5052 Park Ave	Wilmington	NC	28403
331.	Peggy	Fry	115 Pine Cone Rd	Wilmington	NC	28409-5113
332.	Nancy	Yarosis	2375 Godwin Lake Rd	Benson	NC	27504
333.	Sandy	Cothorn	667 Love Mill Road	Whiteville	NC	28472
334.	Joan	Ryder	436 Cobblestone Dr	Wilmington	NC	28405
335.	Carol	Arstone	560 Avery #1108	Wilmington	NC	28411
336.	Cindy	Yates	2513 Rockhill Rd	Castle Hayne	NC	28429
337.	Bretton	Little	2711 Bennington Road	Fayetteville	NC	28303
338.	C	Fisher	1619 Fort Bragg Rd	Fayetteville	NC	28305-4711
339.	David	Nikkel	1926 N. Pearl St.	Fayetteville	NC	28303
340.	James	Kerchmar	824 Azalea Dr	Fayetteville	NC	28301-4804
341.	Sharon	Pugh	703 Fleming St.	Wilson	NC	27893
342.	Margarita	Oquendo	4312 Coolidge St	Fayetteville	NC	28311-1808
343.	Jacquelyn	Hough	305 Andrews Rd	Red Springs	NC	28377
344.	Cliff	Long	118 Linwood Dr	Albemarle	NC	28001-2923
345.	Arthur	Firth	1011 Emerald Bay Dr	Salisbury	NC	28146
346.	Cindy	Shoaf	225 Playground Ln	Salisbury	NC	28146-7534
347.	Glenn	Ahrendt	140 Winged Foot Rd	Pinehurst	NC	28374
348.	Donna	Baker	161 Starland Lane	Southern Pines	NC	28387
349.	Ann	Collins	188 Murray Hill Rd	Southern Pines	NC	28387-6364

350.	Kathy	Wright	620 Lighthorse Cir	Aberdeen	NC	28315-3774
351.	Susan	Strine	16 Melfort Dr	Pinehurst	NC	28374-8893
352.	Cathleen	Pritchard	4 Georgia Ct	Pinehurst	NC	28374-9647
353.	Patricia	Griffin	1275 Seven Lakes N.	West End	NC	27376
354.	Richard	Ashton	15 Westchester Cir	Pinehurst	NC	28374-9524
355.	Joanne	Thornton	P. O. Box 2162	Southern Pines	NC	28388
356.	Robert	Windmeyer	11 Lakeview Dr	Whispering Pines	NC	28327-9405
357.	Rebecca	Peterson	1038 Cherrybrook Court	Kannapolis	NC	28083
358.	Kendrick	Miller	218 Park Gq Ave.	Salisbury	NC	28146
359.	Cynthia	Bernett	10636 Rippling Stream Dr	Concord	NC	28027
360.	William	Austin	4142 Town Center Dr	Harrisburg	NC	28075
361.	Glenda	Steel	103 Union St N	Concord	NC	28025-4779
362.	Jim	Dudley	8413 Wellington Ln	Harrisburg	NC	28075-8323
363.	Karen	Kaser-Odor	278 Fryling Ave Sw #26	Concord	NC	28025
364.	Dianne	Miller	910 Woodbrook Pl Ne	Concord	NC	28025
365.	Melissa	Young	1263 Boswell Ct.	Concord	NC	28207
366.	Diane	Maness	147 Greentop Rd	Star	NC	27356
367.	Amanda	Brewer	735 Ann Rd	Orrum	NC	28369
368.	Ryuu	Nishikawa	2900 Freedom Dr	Lumberton	NC	28358
369.	Charles	Stokes	1518 Bankston Ct	Hope Mills	NC	28348-9177
370.	Martha	Bailey	105 Bledsoe St	Hope Mills	NC	28348-9716
371.	Raymond	Harris	210 Tiffany Ct Apt D	Fayetteville	NC	28301-3799
372.	Phillip	Davis	239 Bowers Ln	Ellerbe	NC	28338
373.	Christine	Hofford	7317 Mockingbird Ln	Waxhaw	NC	28173-8499
374.	Glenn	Rape	2921 Aprilia Ln	Monroe	NC	28112-8502
375.	Jessie	Spivey	1121 Tom Sadler Rd	Charlotte	NC	28214
376.	Jennifer	Barbara	609 Appomatox Dr	Marvin	NC	28173
377.	Pat	Musso	3003 Sandbox Cir	Indian Trail	NC	28079-3433
378.	Frank	Stroupe	329 Raintree Dr	Matthews	NC	28104
379.	Mark	Sullivan	4016 Logan Cir	Indian Trail	NC	28079-6516
380.	Nicholas	Ohmann	1118 Saratoga Blvd	Indian Trail	NC	28079
381.	John	George	6348 Sharon Hills Rd	Charlotte	NC	28210-7043
382.	Mary	Sayler	7306 Connan Ln # 14 14	Charlotte	NC	28226-8270
383.	Jean	Hopkins	7324 Ricewell Rd	Charlotte	NC	28226-3824
384.	Ruby	Edmondson	2809 Greenbriar Rd	Charlotte	NC	28209

385.	Alison	Lacy Sherrill	9403 Penshurst Trace	Charlotte	NC	28210
386.	Lee	Lumpkin	3530 Carmel Road	Charlotte	NC	28226
387.	Christina	Brandt	9506 Mitchell Glen Dr	Charlotte	NC	28277
388.	Donna	Fyfe	9735 Wheatfield Rd.	Charlotte	NC	28277
389.	Sami	Kirdar	5803 Bruntsfield Pl	Charlotte	NC	28277-9650
390.	Edward	Turner	11226 Coachman Cir	Charlotte	NC	28277-9173
391.	Dane	Bowen	8740 Blair Rd	Mint Hill	NC	28227
392.	Adele	Schiessle	6910 Hollow Oak Dr	Mint Hill	NC	28227
393.	Stephanie	Kenny	6113 Loch Arbor Ln	Charlotte	NC	28227
394.	Bonne	Zotos	2223 Whiterock Ct	Sherrills Ford	NC	28673
395.	Sarah	Bostian	410 Shuford Circle Dr.	Newton	NC	28656
396.	Robert	Clark	2830 4Th Street Pl Nw	Hickory	NC	28601
397.	Rita	Burns-Wooten	1150 35Th Street Pl Ne	Conover	NC	28613-8683
398.	Connie	Clark	2830 4Th Street Pl Nw	Hickory	NC	28601-8056
399.	Derek	Chase	55 40Th Ave Dr Ne Apt. 111	Hickory	NC	28601
400.	Denise	Icenhour	1830 34Th St Ne	Hickory	NC	28601
401.	Shawna	Hanson	84 Saint Dunstans Road	Asheville	NC	28803
402.	Patrick	Jean	3910 Herman Sipe Rd	Conover	NC	28613
403.	Paul	Magnuson	4945 Brookridge Dr Ne	Hickory	NC	28601-8791
404.	Paula	Bell	4581 W Nc 10 Hwy	Newton	NC	28658
405.	Richard	Mccrary	1759 Yellowstone Ct Apt I # I	Gastonia	NC	28054-1772
406.	Carrie	Goodykoontz	2206 Jackson St.	Belmont	NC	28012
407.	Eileen	Field	8021 Water View Drive	Belmont	NC	28012
408.	Jim	Mitchem	154 Old Spring Rd	Belmont	NC	28012-9707
409.	Karen	Valentine	2508 Ashley Ct	Belmont	NC	28012-6503
410.	Nic	Duon	3009 Daimler	Gastonia	NC	28052
411.	Susan	Dameron	1245 N Hill Dr	Lincolnton	NC	28092-9656
412.	David	Marshall	930 W Warren St	Shelby	NC	28150
413.	Evelyn	Morehead	2502 North White Oak Drive	Shelby	NC	28150
414.	Mary	Conner	1307 Lackey St	Shelby	NC	28152-6366
415.	Kathy	Nance	990 Piney Knob Rd Day	Rutherfordton	NC	28139
416.	Stephanie	Johnson	125 Cove Creek Drive	Rutherfordton	NC	28139
417.	Don	Clapp	567 Greenville St	Saluda	NC	28773-9780
418.	J.A.	Perry	24 Ridge Ave	Asheville	NC	28803
419.	Amanda	Levesque	1 Battle Sq Apt 309	Asheville	NC	28801-2740

420.	Betty	Lawrence	142 Hillside St	Asheville	NC	28801
421.	Douglas	Fisher	116 Slick Rock Rd	Brevard	NC	28712
422.	Emily	Likens	100 Jeanie Ave Apt 5	Black Mountain	NC	28711
423.	Gloria	Shen	40 Rocking Porch Ln	Asheville	NC	28805-4304
424.	Janice	Stevenson	21 Von Ruck Terrace	Asheville	NC	28801
425.	Jan	Ross	93 Circle E Ranch Rd	Burnsville	NC	28714
426.	Jean	Wheelock	53 Trail Top Dr	Asheville	NC	28805-0049
427.	Justin	Landry	119 Chestnut Pl	Arden	NC	28704
428.	Linda	Covington	62 Beverly Rd W	Asheville	NC	28806-4507
429.	Edith	Simpson	15 Springdale Rd	Asheville	NC	28805
430.	Marcia	Greenstein	15 Oregon Ave Apt A	Asheville	NC	28806-3470
431.	Marla	West	81 Wild Cherry Rd	Asheville	NC	28804
432.	Miller	Graves	89 Caledonia Rd	Asheville	NC	28803
433.	L	Simon	60 N Market St	Asheville	NC	28801
434.	Win	Southworth	211 Pine St.	Black Mountain	NC	28711
435.	Sarah	Rubin	17 Maywood Rd	Asheville	NC	28804
436.	James Buck	Schall	31 Elizabeth St	Asheville	NC	28801-2267
437.	Terry	Faulkner	160 Chatham Rd	Asheville	NC	28804
438.	Sharon	Tompkins	11 W Rolling Acres Drive	Weaverville	NC	28787
439.	Wayne	Noblitt	6 Buckthorn Ln	Asheville	NC	28803-1425
440.	Aa	Lloyd	6 Quinn Ct	Asheville	NC	28805-9756
441.	Barbara	Sloss	5 Wagon Rd	Asheville	NC	28805
442.	Julia	Burr	71 Fortune St	Black Mountain	NC	28711-2788
443.	Miriam	Sexton	18 Cedarwood Trl	Asheville	NC	28803
444.	Deborah	Swanson	568 Garren Creek Rd	Fairview	NC	28730
445.	Susan	Brown	15 Mill Race Ln	Asheville	NC	28778
446.	Julie	Irwin	Po Box 1197	Pisgah Forest	NC	28768
447.	Herschel	Flowers	80 Walker Cove Rd	Black Mountain	NC	28711
448.	Leslie	Bennis	21 Leannas Way	Asheville	NC	28805
449.	Mary	Lounsbury	18 Pear Hill Rd	Black Mountain	NC	28711-9109
450.	Larissa	Bowman	425 Flat Top Mountain Rd	Fairview	NC	28730
451.	Peter	Lourekas	Po Box 18738	Asheville	NC	28814
452.	Robert	Swett	301 Montreat Rd	Black Mountain	NC	28711-3119
453.	Ruth	Noble	26 Rylee Rdg	Asheville	NC	28805
454.	Nancy	Brown	48 Elijah Hall Rd.	Black Mountain	NC	28711

455.	Helen	Fisher	506 Jefferson Court	Lenoir	NC	28645
456.	Barbara	Barcomb	311 Virginia Street Sw	Lenoir	NC	28645
457.	Michelle	Minor	5700 Crown Ter	Hickory	NC	28601-9406
458.	Pamela	Little	2817 Wendell St	Lenoir	NC	28645-7626
459.	Beverly	Mcillwain	5413 Breakwater Dr	Granite Falls	NC	28630-8807
460.	Barbara	Ward	108 Walker St	Morganton	NC	28655
461.	Bill	Schmaltz	2622 Buford Dr	Morganton	NC	28655-8934
462.	Henry	Belada	1971 Sunnyside Dr	Morganton	NC	28655
463.	Cynthia	Britt	211 Open Valley Rd	Marion	NC	28752
464.	Bridget	Dunford	525 Patton Valley Drive	Nebo	NC	28761
465.	Sally	Rogers	Po Box 48	Penland	NC	28765-0048
466.	Roger	Makepeace	4818 Big Pine Rd	Marshall	NC	28753-6336
467.	Dan	Graham	643 Upper Pig Pen Rd	Green Mountain	NC	28740-6050
468.	Elizabeth	Lyle	680 Rock House Rd	Hot Springs	NC	28743-7162
469.	Laura	Bogges	501 Bailey St.	Mars Hill	NC	28754
470.	Laura	Bogges	525 Bailey St	Mars Hill	NC	28754
471.	Linda	Raper	701 Peters Cove Rd	Marshall	NC	28753
472.	Sandy	Whitehouse	776 Haney Creek Rd	Burnsville	NC	28714-6601
473.	Brett	Rodgers	123 Swiss Ave. Apt. 8	Burnsville	NC	28714-7500
474.	Fred	Coppotelli	383 Seldon Emerson Rd.	Cedar Mountain	NC	28718
475.	D	Rosengrant	385 Purple Finch Rd	Brevard	NC	28712
476.	Heide	Coppotelli	383 Seldon Emerson Rd	Cedar Mountain	NC	28718
477.	Helen	Voris	615 Laurel Lake Dr	Columbus	NC	28722-7425
478.	Jaedra	Luke	1320 Slick Rock Rd	Brevard	NC	28712
479.	Liz	Davis	586 Salola Ln	Brevard	NC	28712
480.	Nicole	Chrisafis	501 E Fork Rd	Brevard	NC	28712
481.	Shannon	Draegen	272 Delphia Dr	Brevard	NC	28712-9503
482.	Shelly	Simmons	Po Box 542	Brevard	NC	28712-0542
483.	Linda	Camp	566 Rambling Dr	Hendersonville	NC	28739
484.	Carol	Dugger	184 Robin Hood Rd	Brevard	NC	28712
485.	Adrienne	Ferriss	27 Pheasant Dr	Asheville	NC	28803
486.	David	Curtis	10 Southwicke Ct	Arden	NC	28704
487.	Lisa	Harris	25 Bran Rick Ln	Arden	NC	28704-9773
488.	Beth	Pensiero	128 Exeter Ct	Hendersonville	NC	28791-3254
489.	Deborah	Dobson	32 N Clear Creek Rd	Hendersonville	NC	28792

490.	Chris	Mitchell	149 Cold Springs Rd	Hendersonville	NC	28792-9495
491.	Jacqueline	Knable	878 Sandburg Ter	Hendersonville	NC	28791-2992
492.	Walter	Kross	32 Imperial Dr	Hendersonville	NC	28792-8105
493.	Kathleen	Basiewicz	Po Box 1204	Dana	NC	28724-1204
494.	Elsa	West	129 Shangrila Trl	Whittier	NC	28789
495.	Anne	Lanzi	34 Montana Avenue	Asheville	NC	28806
496.	Deidre	Duffy	67 Craggy Ave	Asheville	NC	28806-3148
497.	Kimberly	Lutz	1645 Ivy Hill Rd	Marshall	NC	28753
498.	Nelda	Holder	2300 Timber Dr	Raleigh	NC	27604-2226
499.	Terri	Lefler	305 Martin St. 111	Wilmington	NC	28401
500.	Cathy	Nieman	312 Ivy Hill Rd 28	Weaverville	NC	28787
501.	Grant	Todd	101 Parkway Ct	Asheville	NC	28803
502.	Jonathan	Greene	401 Paint Fork Rd	Barnardsville	NC	28709-9777
503.	Debi	Treleaven	111 Mountain Drive	Biltmore Lake	NC	28715
504.	Donald	Harland	677 N Luther Rd	Candler	NC	28715
505.	Judith	Pigossi	14 Cedarcliff Rd	Asheville	NC	28803-2906
506.	Linda	Block	3 Sandy River Rd	Leicester	NC	28748-6369
507.	Charles	Mcmahan	584 Enka Lake Rd	Candler	NC	28715-9246
508.	Ray	Hearne	91 Bald Creek Rd	Leicester	NC	28748-5410
509.	Rob	Allyn	59 Luther Cove Rd	Candler	NC	28715
510.	Danna	Mclintock	920 Tumbling Fork Road	Waynesville	NC	28785
511.	Evelyn	Coltman	90 Evergreen Cir	Waynesville	NC	28786
512.	Chanda	Farley	117 Ford St 117 Ford St.	Canton	NC	28716
513.	Keri	Hollifield	591 Reed Cove Rd	Waynesville	NC	28786
514.	Anthony	Scardaci	298 East St	Waynesville	NC	28786
515.	Bill	Spencer	674 Pressley Creek Rd	Cullowhee	NC	28723
516.	George	Rector	947 Bo Cove Rd	Cullowhee	NC	28723
517.	Carol	Brennan	285 Assembly St	Waynesville	NC	28786-3905
518.	Doug	Wingeier	266 Merrimon Avenue	Asheville	NC	28801
519.	Gilna	Nance	95 Mountain Spring Rd	Waynesville	NC	28786-9763
520.	Catherine	Carter	241 Oak Forest Drive	Cullowhee	NC	28723
521.	Donna	Savage	101 Periwinkle Lane	Cullowhee	NC	28723
522.	Stewart	Swartz	300 Sweet Birch Lane	Tuckasegee	NC	28783
523.	Blair	Justice	Po Box 8	Naples	NC	28760
524.	David	Walters	619 E Kingston Ave	Charlotte	NC	28203-5119

525.	Elizabeth	Whitt	1116 Scaleybark Rd Apt 116B	Charlotte	NC	28209-4509
526.	Michelle	Lee	6746 Vlosi Dr	Charlotte	NC	28226
527.	J	S	14535 Harmonious St	Charlotte	NC	28278
528.	Beth	Henry	3066 Stoneybrook Rd	Charlotte	NC	28205
529.	Carolyn	Bentley	2232 Shade Valley Rd Apt A	Charlotte	NC	28205-8312
530.	Ed	Davis	2231 Downing St	Charlotte	NC	28205-4307
531.	Karen	Hodges	2641 Palm Ave	Charlotte	NC	28205
532.	Eric	Innes	1421 Iris Drive Apt 4113 Unit 326	Charlotte	NC	28205
533.	Sara	Sacco	930 Trentle Ct	Charlotte	NC	28211
534.	Ashley	Council	307 N Dotger Ave	Charlotte	NC	28204-4357
535.	Fred	Martin	1016 West 1St Street	Charlotte	NC	28202
536.	Sandy	Deoliveira	1916 Wilmore Dr	Charlotte	NC	28203-4621
537.	Benjamin	Jacklin	1533 Barberry Court	Charlotte	NC	28211
538.	Linda	Levy	7058 Burlwood Rd	Charlotte	NC	28211-6108
539.	Ricardo	Arevalo	6403 Rockshire Dr	Charlotte	NC	28227-8033
540.	Brandon	Williams	7239 Lockmont Dr	Charlotte	NC	28212
541.	Erinn	Edwards	9119 Tibble Creek Way	Charlotte	NC	28227
542.	Janet	Palmer	5326 Silabert Avenue	Charlotte	NC	28205
543.	Luzia	Soares	5822 Cedars East Ct Apt 6 6	Charlotte	NC	28212-0182
544.	Melinda	Lewis	3208 Hubbard Road	Charlotte	NC	28269
545.	James	Smith	8916 Wedgewood Drive	Matthews	NC	28105
546.	Kristi	Twigger	13037 Angel Oak Dr	Huntersville	NC	28078
547.	Mary	Burnham	15625 Carrington Ridge Dr	Huntersville	NC	28078-1215
548.	Anne	Richardson	10000 Amazona Dr	Huntersville	NC	28078-8406
549.	Catherine	Denham	111 Peters Pl	Davidson	NC	28036
550.	Chris	Mic	20811 Island Forest Dr	Cornelius	NC	28031-7099
551.	Catherine	Krug	7123 Windaliere Dr	Cornelius	NC	28031
552.	Gary	Andrew	319 N Downing St	Davidson	NC	28036
553.	Michelle	Mitchell	17227 Chardonnay Ct	Cornelius	NC	28031
554.	Stephanie	Woelfle	8146 Townley Rd	Huntersville	NC	28078
555.	Deborah	Steiner	10102 Mountain Apple Drive	Mint Hill	NC	28227
556.	Michael	Sileno	1509 W Cornwallis Dr	Greensboro	NC	27408
557.	Paul	Price	2901 Sherrill Ave	High Point	NC	27260-4578
558.	Courtney	Gardner	2401 Pineview Drive	Greensboro	NC	27407
559.	Mitchell	Ward	1403 Whilden Pl Apt B	Greensboro	NC	27408-2069

560.	Brandy	Valentine	511 Lindsey Street	Reidsville	NC	27320
561.	David	Stubbs	3705 Brown Bark Dr	Greensboro	NC	27410-4605
562.	Carol	Simpson	3000 W Cornwallis Dr	Greensboro	NC	27408-6730
563.	Betsy	Hundley	410 Wyndwood Dr	Jamestown	NC	27282
564.	David	Wright	1251 Watermark Ct	High Point	NC	27265-2332
565.	Jennie	Faurote	801 Ragsdale Rd	Jamestown	NC	27282
566.	George	Neste	4437 Garden Club St	High Point	NC	27265
567.	Sarah	Charles	1701 Gentry Ct	High Point	NC	27265
568.	Christopher	Pizzulo	4 Prairie Trl Unit B	Greensboro	NC	27410
569.	John	Porter	915 Woodbrook Dr	Greensboro	NC	27410
570.	Virginia	Sparks	5810 Old Fox Trl	Greensboro	NC	27407
571.	Sandra	Resner	7607 Middle Dr	Greensboro	NC	27409
572.	Kathrynn	Adams	302 Isabel St	Greensboro	NC	27401-1524
573.	Heather	Jones	2542 Lullington Dr	Winston Salem	NC	27103-4735
574.	John	Davis	610 Bellemeade St	Greensboro	NC	27401
575.	Ellen	Wells	1 Fraternity Dr	Greensboro	NC	27407-1846
576.	Carolyn	Mayo	814 Guilford College Rd Apt166	Greensboro	NC	27409-2954
577.	Mary	Wakeman	2710 Azalea Dr	Greensboro	NC	27407
578.	Sharon	Daugherty	4312 Bramlet Pl	Greensboro	NC	27407
579.	John	Kalina	3624 Morris Farm Drive, Unit 2D	Greensboro	NC	27409
580.	Velvet	Key	415 Tom Everhart Rd	Winston Salem	NC	27107-8967
581.	Jennifer	Brandon	174 Brody Ln	Lexington	NC	27295
582.	John	Sprainitis	807 Queensbury Dr	Winston Salem	NC	27127-9830
583.	Judith	Williams	16 Vance Cir	Lexington	NC	27292
584.	Carolyn	Mott	108 S. 2Nd St.	Spring Lake	NC	28390
585.	Steven	Arey	415 W Marsh St	Salisbury	NC	28144-5321
586.	Betsy	Webster	14230 Nc Highway 801	Mount Ulla	NC	28125
587.	Ron	Barlow	14245 Cool Springs Rd	Cleveland	NC	27013-8138
588.	Gary	Lavinder	348 S Greenbriar Rd	Statesville	NC	28625
589.	William	Brewer	316 Oakhurst Rd	Statesville	NC	28677-5218
590.	Burt	Melton	7035 Marching Duck Dr	Charlotte	NC	28210-2200
591.	Elizabeth	Guzynski	3005 Anderson Dr. Unit 202	Raleigh	NC	27609
592.	Irene	Radke	150 Hideaway Ln.	Mooresville	NC	28117
593.	Christi	Dillon	175 Forest Ridge Rd	Mooresville	NC	28117
594.	Elizabeth	Onan	420 Hickory Dr	Chapel Hill	NC	27517

595.	Debbie	Mcmannis	467 Governors View Rd	Asheville	NC	28805-2537
596.	Alice	Summey	144 Church Sto	Saluda	NC	28773
597.	Ingrid	Alpha	3274 E Us Hwy 136	Crawfordsville	NC	47933
598.	Robert	Weber	104 Cypress Point	New Bern	NC	28560
599.	Linda	Voelker	330 Crowell Ln	Salisbury	NC	28146
600.	Katherine	Schlosser	1402 Bearhollow Rd	Greensboro	NC	27410
601.	Pamela	Culp	42 River Walk Drive	Asheville	NC	28804
602.	Aggie	Crews	421 Ray Rd	Chapel Hill	NC	27516
603.	Jarrett	Barnhill	525 Ivy Dr	Hillsborough	NC	27278-9444
604.	Barbara	Barron	8902 Charlottes Mountain Rd	Rougemont	NC	27572
605.	Lucy	Tyndall	2958 Caldwell Ridge Pkwy	Charlotte	NC	28213-5888
606.	John	Gerwin	1008 Ravenwood Dr	Raleigh	NC	27606-1638
607.	Christine	Fearing	Brittley Way	Apex	NC	27502
608.	Dick	Christensen	1213 Areca Way	Durham	NC	27703-4666
609.	Dianne	Sacchetti	335 Barn Hill Ln	Wake Forest	NC	27587
610.	Douglas	Evans	105 Summerwalk Ct	Cary	NC	27518-9146
611.	Tom	O'Neal	113 Pinecrest Rd	Durham	NC	27705
612.	Libby	Johnson	2127 Edwin Avenue	Durham	NC	27705
613.	Gavin	Dillard	528 Padgettown Rd	Black Mountain	NC	28711-9408
614.	Kevin	Gedney	15026 Skypark Dr	Huntersville	NC	28078
615.	Hilda	Houchins	137 Liberty Church Road	Taylorsville	NC	28681
616.	Joanne	Studders	2317 Byrd St	Raleigh	NC	27608-1411
617.	Kimberly	Buchanan	315 Yarbrough Road	Roxboro	NC	27574
618.	Lou	Harned	16 Snowgoose Cv	Greensboro	NC	27455
619.	Mary	Lynch	10412 Fairbrook Terrace	Raleigh	NC	27617
620.	Mhhamad	Arnous	2025 Stargrass Ct	Charlotte	NC	28213
621.	Meredith	Hebden	1911 Graybark Ave	Charlotte	NC	28205
622.	Randall	Dail	495 River Bluff Dr. Unit 3	Shalotte	NC	28470-5849
623.	Susan	Mcmanus	1841 Heisser Lane	Fuquay-Varina	NC	27526-6984
624.	S.	Teel	4833 Autumn Leaf Ln	Charlotte	NC	28277
625.	Ashley	Peacock	4312 Windstorm Way	Raleigh	NC	27616
626.	Sandra A	Sly	3075 Third St	Surf City	NC	28445-0048
627.	Katherine	Solomita	1010 Leesburg Dr	Leland	NC	28451
628.	Jeffrey	Egerton	207 Sedalia Rd	Gibsonville	NC	27249-8753
629.	Therese	Duffy	Po Box 36	Zirconia	NC	28790-0036

630.	Sandra	Cooke	937 Baker Dr	Haw River	NC	27258-9755
631.	Jake	Poysti	4641 Malone Ct	Raleigh	NC	27616
632.	Nancy	Zora	381 Darlington Ave Unit 303	Wilmington	NC	28403-1333
633.	Michael	Dehaan	7721 Green Hope School Rd	Cary	NC	27519
634.	Teresa	Arpin	9 Emerson Rd	Black Mountain	NC	28711
635.	Sven	Grosse	515 N. Long St	Salisbury	NC	28144
636.	Kristie	Mather	709 Emory Dr	Chapel Hill	NC	27517-3011
637.	Tamara	Imperiale	103 Shore Lake Dr, Apt H	Greensboro	NC	27455
638.	Evelyn	Terry	1224 Reynolds Forest Drive 788	Winston-Salem	NC	27107
639.	Olivia	Simons	10320 Sugarberry Court Apt#301	Raleigh	NC	27614
640.	John	Rundle	1023 Palm Ct	Carolina Shores	NC	28467
641.	Sharon	Van Horn	45 Pine Hill Rd	Franklin	NC	28734-3708
642.	Raymond	Lee	160 Chatham Road	Asheville	NC	28804
643.	Richard	Ziegler	158 Nw 5Th St	Oak Island	NC	28465-6817
644.	Jacelyn	Eckman	15 Maybury Ct	Arden	NC	28704-2940
645.	Dennis	Letman	1515 Park Summit Blvd	Apex	NC	27523
646.	April	Ingle	6240 Spurgeon Way	High Point	NC	27103
647.	Dick	Christensen	1213 Areca Way	Durham	NC	27703-4666
648.	Erin	Healy	3301 Foxridge Rd	Charlotte	NC	28226-7388
649.	Jeanne	Stancil	5301 Norman Pl	Raleigh	NC	27606-2262
650.	Cynthia	Papia	1822 S Glenburnie Rd Ste 6 Pmb 123	New Bern	NC	28562-5221
651.	Jan	Oller	910 Laurel Creek Ln	Lewisville	NC	27023-8305
652.	Brian	Manley	3201 Immanuel Rd	Greensboro	NC	27407-3536
653.	Monika	Klein	8215 Shadow Oaks Drive, Apt. 421	Charlotte	NC	28269
654.	Gary	Richards	601 West Rosemary Unit 602	Chapel Hill	NC	27516
655.	Robert	Voelker	330 Crowell Lane	Salisbury	NC	28146
656.	Margaret	Pumphrey	40 Rocky Knls	Chapel Hill	NC	27516-0327
657.	Ann Scott	Thompson	8405 Bells Lake Rd	Apex	NC	27539-8383
658.	Lauren	Klingman	408 Martin Luther King Jr Blvd	Chapel Hill	NC	27514-5715
659.	Ellen	Cohen	363 Fearington Post	Pittsboro	NC	27312
660.	Diana	Wolford	730 S Cumberland St	Wallace	NC	28466-2048
661.	Mary	Lee	301 N Central Ave	28012	NC	28012
662.	Kathy	Lehmkuhler	42194 Park Drive	Avon	NC	27915
663.	Jeffery & Pam	Mastin	417 Hawk Road	Deep Gap	NC	28618
664.	Mark	Durstewitz	9725 Cadman Ct	Cornelius	NC	28031-9003

665.	Jane	Kosteva	2093 Shelmore Way	Leland	NC	28451-9630
666.	Connie	Marhevsky	5017 Dockside Drive	Wilmington	NC	28409
667.	Cc	Garcia	2142 George Winston Rd	Oxford	NC	27565
668.	Barbara	Benson	104 Deerfield Ct	Cedar Point	NC	28584-8047
669.	Walter	Wood	304 Hedrick St	Beaufort	NC	28516
670.	Laura	Lathan	1312 Gateshead Lane	Matthews	NC	28105
671.	Brian	Habenicht	52 Westwood Pl	Asheville	NC	28806
672.	Donna	Bender	1926 Carolina Beach Road	Wilmington	NC	28401
673.	Debbie	Hampton	5207 Bayberry Ln	Greensboro	NC	27455-2221
674.	Lidia	Lucaciu	2446 27Th Avenue Cir Ne	Hickory	NC	28601-7238
675.	Tracy	Obrien	3381 Rebecca Dr	Summerfield	NC	27358-7215
676.	Susan	Bowen	2792 N Nc Highway 150	Lexington	NC	27295-6514
677.	Heather	Millard	382 Luby Smith Rd.	Princeton	NC	27569
678.	Marcia	Mandel	5 Radley Pl	Durham	NC	27705
679.	Walter	Kelley	112 Annas Way	Grandy	NC	27939-9601
680.	Suzanne	Healy Rn	3313 Glenridge Dr	Raleigh	NC	27604
681.	Herbert	Dula	400 Southlake Court	Lexington	NC	27295
682.	Diane	Clark	4115 Castleford Dr	Colfax	NC	27235-9704
683.	Shirley	Cavanaugh	100 Spring Run Dr Apt B6	Winston Salem	NC	27106-6068
684.	Harrington	Drake	1050 Beaver Dam Rd	Chapel Hill	NC	27517-8903
685.	Karen	Tate Gray	948 Union Ridge Rd.	Burlington	NC	27217
686.	Susan	Chandler	1566 Alvis Bowell Road	Yanceyville	NC	27379
687.	Sharon	Vinson	703 Vinson Rd	Burlington	NC	27217
688.	Sharon	Williams	396 John Russell Road.	Prospect Hill	NC	27314
689.	Lynn	Pendergraft	3131 Wrenn Rd	Prospect Hill	NC	27314
690.	William	Sharpe	7110 Rockledge Rd	Gibsonville	NC	27249
691.	Dawn	Leith	2685 Ridgeville Rd	Prospect Hill	NC	27314
692.	Linda	Angel Muse	4490 Veranda Lake Court	Greensboro	NC	27409
693.	Lori	Edwards	507 Hickory Flats Road	Leasburg	NC	27291
694.	Theresa	Newman	108 Tressel Way	Durham	NC	27707
695.	Susan	Chitty	17222 Formby Rd Apt C	Huntersville	NC	28078
696.	George	Czerw	703 Alyssum Avenue	Caswell Beach	NC	28465
697.	Andrea	Li	278 Old Nc Hwy 86 N	Yanceyville	NC	27379
698.	Lyric	Kinard	102 Kilmorack Dr	Cary	NC	27511
699.	Robert	Carr	Po Box 184	Leicester	NC	28748-0184

700.	Theresa	Nagel-Hamm	107 Cypress Hill Ln	Holly Springs	NC	27540-4419
701.	Kurt	Nichols	9204 Four Mile Creek Rd	Charlotte	NC	28277-9063
702.	Jill	Twark	2501 East 5Th St.	Greenville	NC	27858
703.	Brant	Bottum	1014 South Virginia Dare Trail	Kill Devil Hills	NC	27948
704.	Betty	Rogers	5132 Governor Scott Rd	Cedar Grove	NC	27231-9023
705.	Mari	Lapointe	8129 Mitchell Mill Rd	Zebulon	NC	27597-8444
706.	Kerri	Gardner	1660 Highpoint St	Wake Forest	NC	27587-6506
707.	Karen	Corey	104 Jordan Lane	Wake Forest	NC	27587
708.	Lena	Gallitano	2907 Hostetler St	Raleigh	NC	27609
709.	Barbara	Goodrich	8316 Dallas Bay Road	Charlotte	NC	28278
710.	Donald	Whetzel	263 Twelve Oaks Drive	Linwood	NC	27299
711.	Brooke	Tisdale	269 Joe Shoemaker Rd	Vilas	NC	28692
712.	Robert	Warner	650 Mountain Lake Drive	Waynesville	NC	28785
713.	Lavera	Parato	407 Ketner Blvd	Havelock	NC	28532
714.	Daniel	Buskey	404 Stallworth St	Windsor	NC	27983
715.	Marjorie	Moore	1416 Nc Highway 711	Lumberton	NC	28360-5400
716.	George	Sawyer 3D	1301 Queens Rd Apt. 103	Charlotte	NC	28207
717.	Jennifer	Nyland	143 North Allen Road	Wake Forest	NC	27587
718.	Lisa	Fisk	325 Tryon St.	Burlington	NC	27217
719.	Erdman	Palmore	3408 Cole Mill Road	Durham, Nc	NC	27712
720.	Carol	Willliams	P. O. Box 331	New Bern	NC	28562
721.	Jenafur	Maher-Bernard	4323 Mantua Way	Raleigh	NC	27604-3689
722.	Annie	Stephens	251 E Worth St	Saint Pauls	NC	28384-1336
723.	Nancy	Doll	809 Simpson Street	Greensboro	NC	27401
724.	Barbara	Schmale	3408 Laughing Gull Terr	Wilmington	NC	28412
725.	Sarah	Dewey	4113 Freedom Ln	Hope Mills	NC	28348
726.	Robert	Gelblum	500B Oak Ave	Carrboro	NC	27510
727.	Rodney	Lemley	1125 Mashie Lane	Rocky Mount	NC	27804
728.	Linda	Eastman	7048 Sevilleen St Sw	Ocean Isle Beach	NC	28469-5865
729.	Chandra	Raphael	111 N Elizabeth St Apt 12	Durham	NC	27701-4082
730.	Jordan	D'Addeo	3010 Moneta Way	Durham	NC	27703-5786
731.	Nora	Martin	1900 Glendale Avenue	Durham	NC	27701
732.	Jackie	Bennett	5939 W Friendly Ave, Apt 14D	Greensboro	NC	27410
733.	Anne-Marie	Sansevero	423 Highland Golf Drive	Flat Rock	NC	28731
734.	Ann	Belmont	5436 Bud Wilson Rd	Gastonia	NC	28056-9043

735.	Mccayne	Miller	Po Box 99516	Raleigh	NC	27624-9516
736.	Charley	Orner	206 River Rock Way Apt 103	Wilmington	NC	28401
737.	Channharith	Sakun	7312 Creekwood Quorum Dr Apt 201	Charlotte	NC	28212
738.	Emily	Keel	105 4Th St	Robersonville	NC	27871
739.	James	Southerland	103 Moray Court	Cary	NC	27511
740.	Linda	Bruce	1014 Pineburr Roaad	Jamestown	NC	27282
741.	Kristen	Britt	3315 Auburn Dr.	Fayetteville	NC	28306
742.	Barbara	Spencer	704 Watkins St	Greensboro	NC	27407-2248
743.	Victoria	Oconnor	30 Candlewood Circle	Waynesville	NC	28786
744.	Kevin	Motley	972 Woodwind Dr	Leland	NC	28451-4104
745.	Vickie	Justus	833 White Cross Rd # A	Chapel Hill	NC	27516-7473
746.	Connor	Moore	804 Southstone Dr	Stallings	NC	28104-5802
747.	Flois	Jones	120 Grange Dr	Wendell	NC	27591
748.	Heather	Mode	Po Box 1518	Badin	NC	28009-1518
749.	Adam	Mills	408 Depot Street Apt. 203	Asheville	NC	28801
750.	Christy	Fritz	808 Old Nc 20 Hwy	Alexander	NC	28701-9125
751.	Susan	Redding	601 S. Elm St	Greenville	NC	27858
752.	Esther	Slater	171 Woodland Rd	Asheville	NC	28804-3839
753.	Danny	Kronz	215 Chestnut Ridge Rd	Kings Mountain	NC	28086
754.	Emmett	Rushin	2450 Linville Falls Hwy., 12	Newland	NC	28657
755.	Dan	Osullivan	4701 Berini Dr	Durham	NC	27705
756.	Angeleque	Schmitt	3411 River Rd	Robbins	NC	27325
757.	Amelia	Stephens	914 Proctor Dr	High Point	NC	27260-1677
758.	Cynthia	Steed	2763 Granville St	High Point	NC	27263-2188
759.	Bernice	Cobb	1509 W Friendly Ave Apt. D	Greensboro	NC	27403
760.	Calvin	Hefner	5518 Lancelot Drive	Charlotte	NC	28270
761.	Catina	Chavis	4984 Oakgrove Church Rd	Lumberton	NC	28360
762.	Carnen	Rodriguez	319 James Ave	Thomasville	NC	27360-2873
763.	Susan	Seider	14230 Cameryn Elise Dr	Cornelius	NC	28031-0498
764.	Susan	Granger	349 Haw Creek Mews Dr	Asheville	NC	28805-1976
765.	Paula	Mcphail	2122 Clinchfield Dr	Fayetteville	NC	28304
766.	Virginia	Davis	605 Jetton St	Davidson	NC	28036-9335
767.	Angela	Cook	9721 Long Hill Dr	Charlotte	NC	28214
768.	Lisa	Schaffer	119 Oak Haven Dr	Statesville	NC	28625-9114
769.	Thomas	Miller	2809 Pine Forest Dr.	Southport	NC	28461

770.	Crawford	Bourque	101 Fawley Ct	Cary	NC	27519
771.	Rhonda	Mills	933 Old Zebulon Rd	Wendell	NC	27591
772.	Christopher	Nicchitta	115 Pinecrest Road	Durham	NC	27705-5822
773.	Patricia	Warren	Po Box 9, 36 Main	Prospect Hill	NC	27314
774.	Stephen	Barmann	8864 Nc Hwy 119 N	Leasburg	NC	27291
775.	Brenda	Brown	203 King Rd	Yanceyville	NC	27379
776.	William	Kowalski	11350 Nc 119S	Burlington	NC	27217
777.	David	Russell	12261, Nc Highway 119 S	Burlington	NC	27217
778.	Virginia	Chandler	133 Lake View Rd	Prospect Hill	NC	27314
779.	Lynden	Harris	9602 Art Road	Cedar Grove	NC	27231
780.	Beverly	Hughes	275 Cooper Cemetery Rd	Prospect Hill	NC	27314
781.	Ann	Baize	499 Toms Creek Trail	Yanceyville	NC	27379
782.	Cristina	Ward	5362 Nc Highway 62 S	Yanceyville	NC	27379
783.	Michael	Wang	12904 Barsanlaw Dr.	Raleigh	NC	27613
784.	Jackie	Tice	212 Rosecommon Lane	Cary	NC	27511-5534
785.	Steven	Pulliam	790 Stone Mountain Rd	Stoneville	NC	27048
786.	Jennifer	Zattiero	611 Forest Hill Drive	Mebane	NC	27302
787.	Carol	Komondy	731Solomonrd	Leasburg	NC	27291
788.	Lisa	Carey	3514 E Lake Rd	Rocky Mount	NC	27804
789.	Joshua	Martinez	28 Harris Ct. Dr	Farmville	NC	27828
790.	Todd	Smith	1401 S 2Nd St 106	Wilmington	NC	28401
791.	John	Marzetti	932 Soundside Ct	Corolla	NC	27927
792.	Caitlin	Steinbacher	8108 Green Lantern St	Raleigh	NC	27613
793.	Kim	Duhan	1127 Wood Stack Trail Rd	Westfield	NC	27053
794.	Michele	Garcia	4417 Horton Lane	Ayden	NC	28513
795.	Rebecca	Gilbert	1533 Shadylawn Dr	Burlington	NC	27215
796.	Dixie	Robinson	237 Chapel Point Road	Lake Lure	NC	28746
797.	Daniel	Skrobialowski	1046 Natural Springs Way	Leland	NC	28451
798.	Jamie	Gilliam	1915 Jones Franklin Rd	Raleigh	NC	27606
799.	Sam	Hudson	727 Morris Rd	Pittsboro	NC	27312
800.	Michael	Navel	5015 Avent Dr Nw, Apt 105	Harrisburg	NC	28075
801.	Laura	Gomez-Nichols	2033 Edenton St	Kill Devil Hills	NC	27948
802.	Ellen	Quillen	150 Peters Creek Parkway	Winston Salem	NC	27101
803.	Andy	Fisher	2004 Beckwith Ln.	Waxhaw	NC	28173
804.	Caitlin	Angle	1401 South 2Nd Street, Apt 106	Wilmington	NC	28401

805.	Laura	Smith	100 S Peak Dr	Carrboro	NC	27510
806.	April	Michael	4932 Sylvanglade Road	Mc Leansville	NC	27301
807.	Danielle	Eckenrod	1818 Walker Ave	Greensboro	NC	27403
808.	Andrew	Chadwick	1335 Mayfair Rd	Raleigh	NC	27608
809.	Scott	Cline	2924 Oberlin Rd	Raleigh	NC	27608
810.	Sim	Wilkes	2 Briarwood Drive	Alexander	NC	28701
811.	Peter	Christopher	1181 Wilson Road	Hurdle Mills	NC	27540
812.	Anna	Cox	901 Sprucewood Street	Kannapolis	NC	28081
813.	Cooper	Harris	1810 Hensely Rd	Cedar Grove	NC	27231
814.	Cheri	Bowers	8707 Art Road	Cedar Grove	NC	27231
815.	Susan	Hersh	313 Birch Circle	Chapel Hill	NC	27517
816.	Tommie	Stanfield	1205 Union Ridge Rd	Burlington	NC	27217
817.	Susan	Faison	885 Dave Smith Rd	Prospect Hill	NC	27314
818.	Temar	Martinelli	2235 Gunn Poole Rd.	Mebane	NC	27302
819.	Linda	Furlett	3241 Sheridan Lane	Mundelein	NC	60060
820.	Richard	Roberts	555 Ridgeview Rd	Leasburg	NC	27291
821.	Ralph	Chambers	712 Far Post Drive	Fuquay Varina	NC	27526
822.	Margaret	Martin	1545 Wilson Rd	Hurdle Mills	NC	27541
823.	Ron	Koppelman	8948 Bryson Bend Dr	Charlotte	NC	28277
824.	George	Kripner	1890 Cactus Court	Lenoir	NC	28645
825.	Alec	Gilmore	810 Glenwood Ave, Apt C	Raleigh	NC	27605
826.	Evan	Mcshane	22 Kitazuma Rd	Black Mountain	NC	28711
827.	Jayne	Eannarino	366 Forest Oaks Drive	Archer Lodge	NC	27527
828.	Fatima	Saleh	2466 Carey Chapel Rd	Henderson	NC	27537
829.	Malcolm	Heskins	65 Fox Den Rd.	Asheville	NC	40207
830.	Robert	Dow	105 Pine St	Carrboro	NC	27510
831.	Matthew	Inman	4362 Tollarsville Road	St. Pauls	NC	28384
832.	Steve	Peterson	Pine Run	Boone	NC	28607
833.	Heather	Hillaker	Milton Drive	Carrboror	NC	27510
834.	Kim	Carlin	198 Rustling Waters Drive	Mooresville	NC	28117
835.	Jordyn	Frankel	50 West Fourth Street	Winston-Salem	NC	27101
836.	Mousa	Alshanteer	105 Byrnwood Drive	Jamestown	NC	27282
837.	Erin	Flower	6750 Poppy Hills	Charlotte	NC	28226
838.	Miles	Shannon	508 Cedarhurst Rd	Greenville	NC	27834
839.	Bill	Compton	12068 Nc Highway 62 S	Burlington	NC	27217

840.	Donna	Miller	536 Perth Drive	Sanford	NC	27332
841.	Margaret	Bayne	104 Evergreen St	Brevard	NC	28712
842.	Miranda	Swinson	1714 Holloman Drive	Fayetteville	NC	28312
843.	Debbie	Leonhardt	24 Pembroke Lane	Hiddenite	NC	28636
844.	Nela	Kranjcevic Sprinkle	11724 Battery Place	Charlotte	NC	28273
845.	James	Casto	2909 Pinecrest Dr.	Fayetteville	NC	28306-7261
846.	Cathy	Carter	126 Twin Courts Dr	Weaverville	NC	28787
847.	Barry	Miller	1547 Wilson Rd	Hurdle Mills	NC	27541
848.	Richard	Lonon	9602 Art Rd	Cedar Grove	NC	27231
849.	Melissa	Bracken	105 Nimbus Ct	Cary	NC	27513
850.	Mackenzie	Snow	900 E Six Forks Rd	Raleigh	NC	27604
851.	Lynn	Dransoff	15407 Oleander Dr	Charlotte	NC	28278
852.	Jordyn	Slavotinek	2452 Royal York Ave	Charlotte	NC	28210
853.	Carrie	Stott	309 Ridgeway Dr	Greensboro	NC	27403
854.	Nancy	Janitz	109 Club Lane	Jacksonville	NC	28546
855.	Leia	Gearhart	121 Yester Oaks Way East	Greensboro	NC	27455
856.	Ellen	Waff	700 S. Main St.	Fuquay-Varina	NC	27526
857.	John	Walser	2044 Stanwood Drive	Apex	NC	27502
858.	Lisamarie	Taylor	255 Forest Lane	Wendell	NC	27591
859.	Jacob	Thaddeus	348 Union Street South	Concord	NC	28025
860.	Susan	Brown	7205 Oak Village Way	Fuquay Varina	NC	27526
861.	Gina	Pappas	517 5Th Ave. S	Kure Beach	NC	28449
862.	Joy	Batty	206 South Nash Street #132	Hillsborough	NC	27278
863.	Emily	Sides	3028 Windchase Court	High Point	NC	27265
864.	Zackary	Windham	3849 Turnberry Park Dr	Pfafftown	NC	27040
865.	Mary	Walls	3658 Burton Street	Sherrills Ford	NC	28673
866.	Jacqueline	Frey	614 Polk Street	Raleigh	NC	27604

From: [Cassie Gavin](#)
To: [SVC_DENR.DAO.publiccomments](#)
Subject: [External] Title V Fees Hearing
Date: Monday, November 30, 2020 3:57:16 PM

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Good afternoon,

The NC Sierra Club has over 100,000 members and supporters in North Carolina who care about air quality. NC Sierra Club staff participated in the stakeholder process to develop a recommendation for revision of the Title V annual and application fees. We support the agency's proposal as reasonable to ensure that the Division of Air Quality can continue to enforce the Clean Air Act.

Thank you for considering these comments.

Best,

--

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From: [McConnell, Alan](#)
To: [SVC_DENR.DAQ.publiccomments](#)
Subject: [External] Title V Permit Fees Hearing
Date: Monday, November 30, 2020 3:22:17 PM
Attachments: [image003.png](#)

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To: Rule Development Branch Supervisor

The purpose of these comments on the above-referenced proposed rule amendment is to support the more detailed comments submitted today by Mr. Steven Weber of the Parker Poe law firm.

Under the proposed rule DAQ will significantly increase the Title V permitting fees paid by the regulated community. The proposed fee increases focus only on DAQ's Title V budget. However, apparently DAQ has recently stated -- in support of the proposed fee increase -- that for more than 25 years certain Title V costs have been paid for by non-Title V funds and that correction of this error requires a fee increase. Unfortunately, there is no adequate explanation of this point, and the dollars involved, in the rulemaking record.

Prior to imposing a significant increase in Title V fees on the regulated community, I suggest that a public audit of the overall DAQ budget is in order to address the issues raised in these and Mr. Weber's comments. DAQ could use such an audit to support the need for an increase in Title V fees on a transparent foundation.

Thank you for your consideration of these comments.



Alan McConnell

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CHAPTER VI

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Fiscal Note for Revision of 15A NCAC 02Q .0203

Rule Citation Number 15A NCAC 02Q .0203

Rule Topic: Fee Structure Revisions for North Carolina's Title V Operating Permit Program

DEQ Division: Division of Air Quality

Agency Contact: Patrick Knowlson, Rule Development Branch Supervisor
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Impact Summary:

State government:	Yes
Local government:	Yes
Substantial impact:	Yes
Private Sector:	Yes

Authority: G.S. 143-215.3(a)(1), (1a), (1b), (1d); G.S. 143-215.3A

Necessity: To update the fee structure in 15A NCAC 02Q .0203, *Permit and Application Fees*, to sufficiently cover all reasonable (direct and indirect) costs required to develop and administer North Carolina's Title V operating permit program.

I. Purpose

The purpose of this document is to provide an analysis detailing the fiscal impacts associated with the proposed amendment of 15A NCAC 02Q .0203, *Permit and Application Fees*, to cover all reasonable (direct and indirect) costs required to develop and administer the state's Title V program, as required by Section 502(b)(3) of the Clean Air Act. The proposed amendments were developed to address a projected funding shortfall in Title V fees required to adequately administer North Carolina's Title V program.

II. Background

On August 31, 2001, the United States Environmental Protection Agency (EPA) granted the North Carolina Division of Air Quality (DAQ) full approval of its Title V operating permit program pursuant to the federal implementing regulations in 40 CFR Part 70 (66 FR 45941; effective October 1, 2001). In accordance with 40 CFR §70.9, the DAQ must "require that the owners or operators of part 70 sources pay annual fees, or the equivalent over some other period, that are sufficient to cover the permit program costs and shall ensure that any fee required by this section will be used solely for permit program costs." Operating permit program costs include those from the following activities as they relate to Title V sources: preparing regulations or guidance regarding the permit program, its implementation, or enforcement; reviewing and acting on permit applications; administrative costs of running the permit program, such as application tracking, compliance certifications, and data entry; implementation and enforcement of the terms of a Part 70 permit; emissions and ambient monitoring; modeling, analysis or demonstrations; preparing inventories and tracking emissions; and support to sources under the Small Business Stationary Source and Technical and Environmental Compliance Assistance Program.

In addition to federal requirements, North Carolina General Statute 143-215.3(a) authorizes the Commission to "...adopt fee schedules and collect fees..." for processing and administering permits. The fee schedules in 15A NCAC 02Q .0203 contain annual fees for tonnage and the issued permit, as well as an additional nonattainment area fee, as applicable. Tonnage is defined as the facility's combined total annual emissions of all regulated air pollutants, rounded to the nearest ton, contained in the emissions inventory that has been completed by the DAQ, without including emissions of carbon monoxide, any pollutant only regulated because it is a Class I or II substance listed pursuant to CAA Section 602, any pollutant only regulated because it is subject to CAA Section 112r, or the amount of actual emissions of each pollutant that exceeds 4,000 tons per year. 15A NCAC 02Q .0203 also applies application fees that are dependent on the facility category and application type. Historically, the DAQ's Title V funding relied primarily on annual tonnage fees, which are capped at 4,000 tons per year of any individual regulated pollutant defined in Clean Air Act Section 502(b)(3)(B)(ii), and have declined due to modern air pollution control technologies, changes in fuels, unit retirements, State initiatives, and federal air pollution control programs. However, from 2008 to 2019, the DAQ has experienced a 57% decrease in tons of emissions billed from Title V sources, and a 30% decrease in annual fees invoiced from 2009 to 2019. The DAQ projects funding shortfalls in fiscal year (FY) 2020-2021. Failure to address the Title V funding shortfalls may result in the EPA-approved State operating program without sufficient funds to operate many aspects of the program, which could eventually result in the EPA partially or fully withdrawing approval of North Carolina's Title V operating permit program pursuant to 40 CFR 70.10(b) and (c).

The DAQ's workload related to Title V sources has also evolved since the last fee change. The total number of Title V facilities in North Carolina decreased by approximately 13% from 2009 to 2019. Additionally, National Ambient Air Quality Standards (NAAQS) have been revised, requiring attainment planning and implementation work of the DAQ. The DAQ utilizes resources to fulfill its responsibilities with respect to new or amended Federal Regulations and implementation requirements, such as MACT standards for industrial boilers, utilities, and reciprocating internal combustion engines, as well as New Source Performance Standards (NSPS) for landfills, oil and gas facilities, pulp and paper mills, and air curtain incinerators (ACIs), and MACT "hammer" requirements under Clean Air Act (CAA) Section 112j, including those for MACT Subpart DDDDD and those required under the Startup, Shutdown and Malfunction (SSM) State Implementation Plan (SIP) Call. In addition, the DAQ has worked to meet increased public expectations and engagement in the permitting process, increased stack testing protocols, reviews and observations, the emergence of new compounds, and the increased presence of personal air sensors in use by the public. Additionally, the DAQ recently decentralized some Title V renewal applications to Regional Offices in order to redistribute workload, thus redistributing some of the Title V salary liability.

The Title V program is applicable to major sources, which is any facility with at least 100 tons per year (tpy) of any regulated pollutant, 25 tpy of all combined hazardous air pollutants (HAPs), or 10 tpy of any individual HAP. The Title V fees in North Carolina include a combination of annual permit tonnage and base fees, permit application fees, and an added annual permit base fee for facilities in nonattainment areas. The annual fees and permit application fees are each summarized and outlined in Table 1 below:

Annual Permit Fees

Annual permit fees for Title V facilities consist of a tonnage factor and base permit fee, as well as an additional nonattainment area fee, if applicable. The tonnage fee structure was last revised in 2008 at \$22.50 per ton with annual increases each year through 2011. The language of 15A NCAC 02Q .0203 was amended during the 2018 readoption of this Rule to incorporate the final 2011 tonnage factor of \$30.00 per ton. The Rule also allows for inflation adjustment using annual Consumer Price Index (CPI) increases in accordance with 15A NCAC 02Q .0204. Thus, the tonnage fee established for calendar year (CY) 2020 is \$34.25 per ton.

The current language of 15A NCAC 02Q .0203 specifies a base permit fee of \$6,500 for Title V facilities, with an additional fee of \$3,500 for Title V facilities in nonattainment areas, effective in CY 2011. Through annual CPI increases, the Title V base permit fees have been increased to \$7,423 for CY 2020, with an additional nonattainment base fee of \$3,998.

Permit Application Fees

At the time of the original adoption of 15A NCAC 02Q .0203, the Title V permit application fees were established as follows for CY 1994: \$7,200 for a new or significant modification application; \$700 per minor modification; \$10,900 for a new or modified PSD or nonattainment major source facility application; \$21,200 for a new or modified facility subject to both PSD and nonattainment; and \$50 for an ownership change. These fees have been increased through the annual inflation adjustment increases and rounding specifications in the rule. The fees are charged as follows for CY 2020: \$10,177 for a new Title V facility; \$988 for a construction and operation permit, minor modification, or significant modification;

\$15,406 for a new or modified PSD or Nonattainment application; \$29,965 for a new or modified PSD and Nonattainment application; and \$60 for an ownership change. General ACI Title V facilities are subject to 10% of the otherwise applicable fee.

One category of facilities, air curtain incinerators (ACIs), are required under 40 CFR Part 60 to obtain a Title V permit regardless of actual or potential emissions. The DAQ issues these Title V permits under General Permits. Session Law 2018-114 established separate annual and application fees for ACIs with a General Title V permit, equal to 10% of the otherwise applicable fee.

Table 1. Summary of Current Title V Annual and Application Fees

Title V Annual Fees		
Fee Type	Current rule (applicable for CY 2011)	Current fees (applicable for CY 2020) ^b
Base	\$6,500/facility	\$7,423/facility
Tonnage	\$30.00/ton	\$34.25/ton
General ACI ^a	N/A ^d	10% of the otherwise applicable fee
Title V Application Fees		
Fee Type	Current rule (applicable for CY 1994)	Current fees (applicable for CY 2020) ^b
New Facility	\$7,200	\$10,177
Significant Modification 1-step ^c	\$7,200	\$988
Significant Modification 2-step ^c	\$7,200	\$988 per step
Minor Modification	\$700	\$988
PSD or Nonattainment	\$10,900	\$15,406
PSD and Nonattainment	\$21,200	\$29,965
Ownership change	\$50	\$60
General Title V ACI ^a	N/A ^d	10% of the otherwise applicable fee

^a Applies to new air curtain incinerators only.

^b These fees reflect the Consumer Price Index increases and are effective January 1, 2020.

^c Although the current rule language in 15A NCAC 02Q .0203 allows the DAQ to charge an application fee for significant modifications the same as that for new Title V facilities, the DAQ has historically charged a consistent fee for minor and significant modifications.

^d While the fees for General Title V ACI permits are not currently listed in 15A NCAC 02Q .0203, the impact of these fees was included in the fiscal note prepared for the amendment of 15A NCAC 02D .1904, Air Curtain Burners, during the Group 4 Air Quality Rules readoption process.

III. Reason for Rule Change

The fee revisions outlined in this fiscal note are proposed to address a projected funding shortfall for fiscal years 2020-2021 onward and account for a salary administration plan as described in this Section. Largely due to decreasing emissions, the total fees collected from Title V facilities, including both annual and application fees, decreased approximately 27% from FY 2009-2010 to FY 2018-2019.

Projected Funding Gap

Based on a review of its current Title V program, the DAQ determined a base funding amount of \$8,077,710 is needed to implement the program, with \$7,852,710 needed for staffing and \$225,000 for equipment and operations. This funding amount is based on a June 2019 analysis of the Title V program funding program by the DAQ Director. This analysis was based on DAQ branch supervisor information from Technical Services, Planning, Ambient Monitoring, and Administration on the amount of time and resources that are used to administer the Title V program. A summary of this analysis is shown on Slide 16 of the presentation¹ provided in Appendix B. Comparison with the FY 2019-2020 receipts of \$6,308,702 results in a projected funding gap of \$1,769,008. The DAQ developed a funding “model” that was provided to and used by the stakeholder group to explore the effects of various fee changes on Title V revenues in order to close the projected funding gap.

Salary Administration Plan

A significant portion of the revenues required to implement the State’s Title V program is attributable to staff salaries. As shown on the graph on Slide 20 of the presentation provided in Appendix B, the majority of staff salaries are below market value given the level of experience and job classification using the market salary index. The market salary index is a ratio that compares a salary, in this case the salaries of DAQ employees, to the market average for that position by years of experience. The DAQ identified the position class with the most turnover in DAQ is the Engineering class. In addition to turnover, the DAQ has experienced issues with the recruitment of engineers. These inequities hinder the DAQ’s ability to create and maintain competitive salaries to retain talent and effectively recruit new employees. Therefore, the DAQ developed a salary administration plan with the goals of establishing a single objective and transparent salary schedule for both employee and employer that reduces current or future inequities in comparable occupational groups, removes pay bias against employees based on differences such as age, gender, race and ethnicity, and provides predictability for the employee and employer. A table of the salary schedule by years of experience is shown on Slide 19 of the presentation provided in Appendix B. A graphical representation of the salary schedule and the current DAQ salaries is provided on Slide 20 of the presentation provide in Appendix B.

As shown on Slide 20, the market salary index for an entry level employee, an employee with 0-5 years of experience, ranges from 0.70 to 0.97, with the average around 0.80. The proposed salary administration plan would increase the average of the market salary index to 0.90. In contrast, the market salary index for an experienced employee, an employee with 15-20 years of experience, ranges from 0.77 to 1.08, with the average about 0.90. For this group, the proposed salary administration plan would increase the market salary index to 0.98 for employees with 15 years of experience, 1.00 for employees with 16 to 18 years of experience, and 1.03 for employees with 19 to 20 years of experience. The DAQ estimates that an additional \$1,320,000 is needed to implement this proposed salary administration plan. Of the total funds needed for implementation, 44 percent or \$580,800, would come from the Title V program. In response to feedback from the stakeholder group, the DAQ agreed to phase in the required Title V funds for the salary administration program over 3 years, and conduct an Accountability Report in the next 2 years to include a new workload analysis, and staffing and funding needs. It was also agreed that the DAQ would use cash flow management to address Legislative Increases.

¹ This presentation was presented before the Air Quality Committee (AQC) on July 8, 2020 and the Environmental Management Commission (EMC) on July 9, 2020.

The base funding requirement of \$8,077,710 combined with salary administration plan requirement of \$580,800 results in a total Title V program funding requirement of \$8,658,510 in FY20-21. The \$580,800 of additional salary funding equates to approximately 7% of the \$8,077,710 base funding requirement. In order to phase in the Title V funds needed for the salary administration plan, the DAQ incorporated a 2.5% planning adjuster to the base funding requirement in the first year, a 5% planning adjuster in the second year, and 7% planning adjuster every year thereafter.

IV. Proposed Rule Changes

Based on a series of meetings with the stakeholder group, and to address the projected funding shortfalls and administer the salary administration plan, the DAQ is proposing to amend the Title V fees in 15A NCAC 02Q .0203 such that Title V revenues cover the costs of implementing the program and the fees more closely reflect the portion of DAQ resources required for implementation at each facility. The DAQ is proposing to revise both the annual permit fees and permit application fees in 15A NCAC 02Q .0203 as described below. These fees are anticipated to become effective beginning **March 1, 2021.**

Stakeholder Process

In order to receive feedback on the various options for fee revisions, the DAQ formed a stakeholder group and held a series of stakeholder meetings in May and June of 2020. The stakeholder group consisted of representatives from the Title V regulated community, environmental consulting and legal sectors, the North Carolina Manufacturer's Association, and two nongovernmental environmental groups. The stakeholder group established goals and the DAQ provided a funding "model" for the group to use and adjust as they explored various options, while also considering all options brought forward by the group. Two of the goals established for the group were to keep the Title V fee structure simple and revise Title V fees as infrequently as possible. Some key tenets of the stakeholder group's proposal were to rely less on the tonnage fee moving forward, and link fees more to workload and complexity. The stakeholder group unanimously agreed on the proposed fee changes described in this Section.

Annual Fees

The DAQ is proposing to increase the Title V annual tonnage fee from \$34.30 per ton, the fee for CY 2020, to \$40.00 per ton. The base annual fee for Title V facilities is proposed to increase from the 2020 fee of \$7,423 to \$10,000. In addition to the base annual fee, the DAQ is proposing to add a complexity fee, based on the number of applicable federal programs. Moderately complex facilities, defined as those facilities subject to at least three and no more than six federal programs, will be charged an additional base fee of \$2,500. Highly complex facilities, defined as those facilities subject to seven or more federal programs, will be charged an additional base fee of \$7,500. Examples of federal programs counted under this complexity fee would be New Source Performance Standards (NSPS), National Emission Standards for Hazardous Air Pollutants (NESHAP), and NESHAPs for Source Categories, or Maximum Achievable Control Technology (MACT) Standards, under 40 CFR Parts 60, 61 and 63, the Prevention of Significant Deterioration (PSD) program, and the Risk Management Program under CAA Section 112(r). Table 2 below compares the 2011 fees as written in the rule, the currently applicable 2020 fees, and the proposed 2021 fees.

Table 2. Comparison of Current and Proposed Title V Annual Base and Tonnage Fees

Type of Title V Fee	CY 2011 Fees (Current Rule)	CY 2020 Fees (Current Rule + CPI adjustments)	Proposed 2021 Fee ^a
Tonnage Factor (\$/ton)	\$30.00	\$34.25	\$40.00
Basic Permit Fee	\$6,500	\$7,423	\$10,000
Nonattainment Area Added Fee	\$3,500	\$3,998	no change
General TV ACI ^b	N/A ^c	10% of otherwise applicable fee	10% of otherwise applicable fee
Added medium complex facility fee (3-6 federal programs)	None	None	\$2,500
Added highly complex facility fee (≥7 federal programs)	None	None	\$7,500

^a Proposed 2021 Fees which are indicated as “no change” will still include CPI increase adjustments as currently allowed by the Rule. No changes are proposed to fees with this indicator outside of the CPI increase adjustment. The DAQ has estimated that these fees will become effective in March 2021.

^b Applies to new ACIs only.

^c The current rule language in 15A NCAC 02Q .0203 does not include a fee for General Title V ACI permits. As discussed in Section II, Session Law 2018-114 authorized a fee for these sources equal to 10% of the otherwise applicable fee, which will be incorporated into the rule language during this rulemaking.

Application Fees

The DAQ is also proposing to increase the Title V application fees for minor and significant permit modifications. Significant modifications are submitted using either a “1-step” process pursuant to 15A NCAC 02Q .0501(b)(1) or (c)(1), or a “2-step” process pursuant to 15A NCAC 02Q .0501(b)(2) or (c)(2). The current language of 15A NCAC 02Q .0302 allows the DAQ to charge significant modification applicants the same fee as that for new Title V facilities, which is established at \$10,177 for calendar year 2020. However, the DAQ is currently charging a permit fee of \$988 for both minor and significant modifications, unless the 2-step application option under 15A NCAC 02D .0501(b)(2) or (c)(2) is utilized to authorize a significant modification, in which case the fee of \$988 is charged with each step. Under the proposed rule changes, minor modification applications will require a fee of \$3,000 and all significant modifications will require a fee of \$7,000, which will cover both steps of a 2-step application. The remaining fees for new Title V facilities, Prevention of Significant Deterioration (PSD), Nonattainment, and ownership change applications remain unchanged, with the exception of the annual CPI increase already allowed by the rule.

Table 3. Comparison of Current and Proposed Title V Application Fees

Title V Facility Category and Type of Application	CY 2011 Fees (Current Rule)	CY 2020 Fees (Current Rule + CPI adjustments)	Proposed 2021 Fee ^a
New Facility	\$7,200	\$10,177	no change
Significant Modification 1-step	\$7,200	\$988	\$7,000
Significant Modification 2-step	\$7,200	\$1976 ^b	\$7,000 ^c
Minor Modification	\$700	\$988	\$3,000
PSD or NSR/NAA	\$10,900	\$15,406	no change
PSD and NSR/NAA	\$21,200	\$29,965	no change
Ownership change	\$50	\$60	no change
General Title V ACI ^d	N/A ^e	10% of otherwise applicable fee	no change

^a Proposed 2021 Fees which are indicated as “no change” will still include CPI increase adjustments currently allowed by the Rule. No changes are proposed to fees with this indicator outside of the CPI increase adjustment. The DAQ has estimated that these fees will become effective in March 2021.

^b For CY 2020, a 2-step permit application under 15A NCAC 02Q .0501(b)(2) or (c)(2) requires a \$988 fee at each step, for a total of \$1976

^c The proposed fee of \$7,000 will cover both steps of a 2-step permit application under 15A NCAC 02Q .0501(b)(2) or (c)(2) and will be charged with the first application.

^d Applies to new ACIs only.

^e The current rule language in 15A NCAC 02Q .0203 does not include a fee for General Title V ACI permits. As discussed in Section II, Session Law 2018-114 authorized a fee for these sources equal to 10% of the otherwise applicable fee, which will be incorporated into the rule language during this rulemaking.

V. Estimating the Fiscal Impacts

As described above, Title V facilities pay application fees and an annual fee, which currently consists of a base fee and a tonnage fee. Application fees vary based on the type of application and facility category. As outlined in Section IV, the only application fees with proposed revisions are those for minor and significant modifications. While the majority of Title V facilities in North Carolina are privately-owned, the DAQ identified 22 facilities owned by local governments, including counties and municipalities, 2 facilities owned by state government entities, and 4 facilities owned by federal government entities. The sections below provide the costs associated with these fee revisions.

Private Entities:

Annual base fee

The base annual fee charged to Title V facilities is a flat fee for each facility. A facility is categorized as a Title V facility based on its level of emissions. Therefore, the number of Title V facilities in North Carolina can change as existing facilities increase and decrease emissions, or as new facilities are constructed. From 2009 to 2019, the total number of Title V facilities invoiced, not including ACIs, has

decreased from 321 facilities to 279 facilities². The revenue analysis performed by the DAQ assumed the number of Title V facilities remains at 279. Recent analysis shows 277 active Title V permits, not including ACI units, and 10 Title V ACI facilities. The DAQ also anticipates issuance of new permits for 1 new Title V facility and 1 new Title V ACI facility in the near future. For the purposes of estimating base fees from ACI units, the DAQ assumed that the current 10 ACI facilities will be billed in 2020. For the purposes of projecting costs and revenues under the new fees in 2021, the DAQ assumed that the pending ACI Title V permit application will be issued in 2020 and therefore, 11 ACI facilities will be billed in 2021. A significant contributor to the decrease in emissions at Title V facilities is the implementation of federal programs and regulations such as NSPS, NESHAP and MACT standards and emission guidelines, the majority of which have reached full implementation and are not expected to result in further substantial emission decreases. Upon review of the Title V facilities in North Carolina, the DAQ does not expect a large change in the total number of Title V facilities statewide.

For this analysis of the annual base fee, the DAQ removed the 28 non-privately owned facilities from the total of 279 Title V facilities. The costs for these non-privately owned facilities will be addressed in separate analyses in this Section. Therefore, the fiscal impacts associated with the increased base fee were estimated assuming the number of privately owned Title V facilities, not including ACI units, remains constant at 251 facilities. The increase in base fee from \$7,423 to \$10,000 per facility for 251 facilities, and increase in number of ACI Title V facilities, results in additional annual base fee costs of \$646,827 for privately owned Title V facilities, and \$3,577 to ACI Title V facilities.

Annual tonnage fee

For most facilities, the tonnage fees collected in a given year are based on the emissions reported two years prior. For the 2020 base model, the DAQ determined that 122,940 tons of emissions are expected to be billed in 2020, based on an IBEAM report of 2018 reported emissions, of which approximately 2,311 tons were from non-privately owned facilities. Based on an analysis of emission projections for five contributors to Title V emissions, the DAQ projects 114,018 tons of emissions to be billed in 2021³, with 111,707 tons coming from privately owned facilities. The decrease in emissions combined with increase in tonnage factor from \$34.30 per ton to \$40.00 per ton results in an additional \$330,703 of annual tonnage costs to privately owned Title V facilities.

Complexity add-in base fee

As described in Section IV, the DAQ is proposing an additional base fee for moderately complex and highly complex facilities. A moderately complex facility will be defined as one subject to at least three but no more than six federal programs. A highly complex facility will be defined as one subject to seven or greater federal programs. Based on a review of the current Title V facilities, the DAQ expects to have 113 moderately complex facilities, and 30 highly complex facilities. Using these projections with the new proposed complexity fees results in an additional \$507,500 of annual base fees.

² Based on a report of 2019 Title V invoices from the North Carolina's Internet-Based Enterprise Application Management (IBEAM) system, which showed 284 total Title V facilities billed in 2019, 5 of which were ACI units.

³ Projected emission decreases for 2019-2023 (to reflect 2021-2025 billed emissions) were provided by Duke Energy. The DAQ estimated future emission levels at CPI USA North Carolina (Southport and Roxboro plants), and PCS Phosphate Company, and Blue Ridge Paper Products. Overall emissions from the remaining Title V sources were assumed to remain constant from 2018 reported levels.

Application Fees

As described in Section IV, the DAQ is proposing increases in the minor and significant modification Title V application fees. The costs associated with application fees were determined by adding the costs due to modification application fee changes to the costs associated with CPI increase adjustments to all Title V applications.

The costs due to the increases in modification application fees were broken down into minor and significant applications. The DAQ currently charges \$988 for both types of modifications, but charges \$988 for each step of a 2-step significant modification. The DAQ is proposing to revise the minor modification fee to \$3,000 and the significant modification fee to \$7,000. In CYs 2017 through 2019, the DAQ received an annual average of 45 minor modification applications, 15 “1-step” significant modification applications, and 29 individual applications submitted as part of “2-step” significant applications⁴, from privately owned facilities. With the proposed revisions, the significant modification fee of \$7,000 will only be charged once with the first application submittal. Therefore, the 3-year annual average of 29 “2-step” significant modification applications was divided by two in order to estimate the average number of 2-step application “sets” received annually. In order to estimate the increased costs, these 3-year average values were used with the proposed revised minor and significant modification fees of \$3,000 and \$7,000, respectively, to determine the projected revenues from minor and significant modifications under the new fees. The DAQ then determined the projected revenues from this volume of applications using an application fee of \$1,003, which reflects the current fee of \$988 with 1.54% CPI increase,⁵ and subtracted this value from the projected modification application revenues under the proposed fee schedule.

Like the annual fees, the application fee structure for General ACI units will remain at 10% of the otherwise applicable fee. Since the minor and major modification fees are increased, the modification application fees for ACI units would also increase. However, a review of the applications received from 2017 through 2019 indicated that ACI facilities only submitted greenfield applications for initial permitting of the facility. The DAQ does not expect to receive a substantial volume of applications for modifications of ACI units, if any. Therefore, the DAQ has not estimated costs from General ACI Title V modification applications.

The projected 2021 revenues from Title V applications were based on the average annual revenues from all Title V applications from privately owned facilities received from fiscal years 2014-2015 through

⁴ Permit application counts and revenues are based on IBEAM reports generated for each calendar year.

⁵ The CPI increase of 1.54% is the 5-year average annual IMF Inflation Forecast CPI values for 2015 through 2019 obtained from <https://knoema.com/kyawad/us-inflation-forecast-2020-2021-and-long-term-to-2060-data-and-charts>.

2018-2019⁶, adjusted using the assumed CPI of 1.9%⁷ to determine projected 2020 revenues for the base model, and adjusted again using a CPI factor of 1.54%. The projected 2020 base model revenues were subtracted from the projected 2021 revenues to determine the cost of all Title V applications due to CPI increases.

The costs due to increased modification fees were added to the costs from CPI adjustments to all Title V application fees to determine the total costs to privately-owned facilities due to the proposed Title V application fee changes, \$255,520.

The total increased costs to privately-owned Title V facilities are estimated to be approximately \$1.74 million, as summarized in Table 4 below:

Table 4. Increased Costs to Private Industry Facilities from the 2020 Baseline

Title V Fee Type	Year 1 Cost ^a
Annual Fees	
Base Permit Fee	\$646,827
Tonnage Fee ^b	\$330,703
Complexity Add-in	\$507,500
General Title V ACIs Base Fee	\$3,577
Annual Subtotal	\$1,488,607
Application Fees	
All Title V Applications	\$255,528
Total Cost	
	\$1,744,136

^a The costs reflect the projected 2021 revenues compared to projected 2020 base model revenues, which reflect an assumed 251 privately-owned facilities, CY 2018 reported emissions of 120,629 tons, and the 5-year annual average historical application revenues from fiscal years 2014-2015 through 2018-2019 with a CPI of 1.9% applied. The projected 2020 base model results in a projected revenue of \$6,404,700 and a resulting projected funding gap of \$1,677,010 for all Title V facilities, including both privately-owned and government-owned facilities. These values differ from the actual receipts from fiscal year 2019-2020 for all Title V facilities, which total \$6,308,702 and result in a funding gap of \$1,769,008.

⁶ Based on IBEAM reports for Title V application revenues for each fiscal year from 2014-2015 through 2018-2019, and includes greenfield applications, greenfield ACI general permits, PSD applications, minor and significant modifications, ownership changes, and construction notices. To determine the revenues from privately-owned facilities, the DAQ determined the annual average revenues received during this time period from local government-owned, state-owned, and federal-owned entities, which were then subtracted from the annual average application revenues received from all Title V facilities.

⁷ 1.9% represents the CPI adjustment that was applied to 2019 fees to determine the current fees for calendar year 2020.

^b The emissions expected to be billed in 2020 are based on an IBEAM report of 2018 reported emissions inventory. 2018 reported emissions from facilities owned by local governments, state government, or federal government entities were subtracted and are addressed separately in this fiscal note.

COVID-19 Impacts

Based on evaluations of Title V facility types in the state and discussions with some of the current Title V facilities, the DAQ does not currently anticipate significant changes in these facilities' operations as a result of the COVID-19 pandemic. Some of the Title V facilities which contribute largely to emissions in North Carolina include electric generating units, paper mills, steel mills, and chemical plants, whose production levels have remained relatively unaffected during the pandemic. As a result of minimal impacts on Title V facilities' operations and emissions, the DAQ does not anticipate significant changes in workload or workforce requirements to implement the Title V program in North Carolina in response to COVID-19.

State Government Entities:

Costs to State-owned Facilities

The DAQ identified two public universities in the state that are Title V sources and will incur costs as a result of these fee changes. The DAQ has assumed that the number of state-owned Title V sources will remain at two for the time period analyzed. Tonnage costs from these facilities were calculated based on 720 tons per year, which reflects 2018-reported emissions, invoiced in 2020. Emissions from these facilities were assumed to remain constant over the period analyzed. In order to estimate costs due to the complexity fees, the DAQ determined that both of these facilities are moderately complex.

Application fee costs consist of the costs due to increased modification application fees, and costs associated with CPI increases from all applications. The application fee baseline was based on the annual average revenues received from these facilities from July 1, 2014 through June 30, 2019, to represent five fiscal years. The total application fee revenues received were averaged over this 5-year period to determine an annual average of \$4,336. The annual average cost was then adjusted using a CPI factor of 1.9% to estimate 2020 application fee revenues for the base model and was then adjusted again using a CPI factor of 1.54% to estimate 2021 application revenues. These revenues represent those from only CPI adjustments, without the proposed fee revisions. The costs due to the proposed fee revisions were calculated using an assumed volume received of each type of modification application, and applying the difference between the proposed fees, \$3000 for minor modifications and \$7000 for significant modifications, to \$1,003, the projected 2021 application fee due to only a CPI adjustment of 1.54%. The DAQ determined that these facilities submitted, on average, 1 minor modification application per year and an average of less than one 2-step significant modification application annually from 2017 through 2019. These facilities did not submit any 1-step significant modification applications during this three-year period. For calculating application costs from these facilities, the DAQ assumed that the state-owned facilities would submit one minor modification application and no significant modification applications per year. The table below summarizes the costs to these two state-owned facilities.

Table 5. Summary of Costs for State-Owned Facilities from the 2020 Baseline

Title V Fee Type	Year 1 Cost ^a
Annual Fees	
Base Permit Fee	\$5,154
Tonnage Fee ^b	\$4,107
Complexity Add-in	\$5,000
Annual Subtotal	\$14,261
Application Fees	
All Title V Applications	\$2,065
Total Cost	\$16,326

^a The costs reflect the projected 2021 revenues compared to projected 2020 base model revenues, which are based on 2 state-owned facilities with CY 2018 reported emissions of 720 tons, and the 5-year annual average historical application revenues from these facilities during fiscal years 2014-2015 through 2018-2019 with a CPI of 1.9% applied. The 2020 base model resulted in projected revenues of \$6,400,700 and a projected funding gap of \$1,677,010 for all Title V facilities, including both privately-owned and government-owned facilities. The actual receipts from fiscal year 2019-2020 for all Title V facilities total \$6,308,702 and result in a funding gap of \$1,769,008.

^b The emissions expected to be billed in 2020 are based on an IBEAM report of 2018 reported emissions inventory for the two state-owned Title V facilities.

Local Government Entities:

The DAQ identified 22 Title V permits owned by local government entities, including landfills, a wastewater treatment facility, power agencies, and a public works commission. The DAQ identified that approximately 436 tons of emissions were reported from 21 local government-owned facilities in 2018, which reflects the emissions billed in 2020. One additional facility obtained a Title V permit in 2019. The DAQ assumed the number of local government-owned facilities will remain constant at 22, and emissions from these facilities will remain constant from the 2018-reported emissions over the time period analyzed. It was determined that 11 of these facilities are moderately complex and none are highly complex.

Application fee costs consist of the costs due to increased modification application fees, and additional costs associated with CPI increases from all applications. The costs due to increased modification application fees assume these facilities submit a total of 2 minor modification applications, one 1-step significant modification application, and one 2-step significant modification application annually. These quantities reflect the annual average number of applications received from these facilities from 2017 through 2019. The costs due to CPI increases were based on the annual average revenues received from local government-owned Title V applications from July 1, 2014 through June 30, 2019, \$7451, with a 1.9% CPI adjustment in 2020 and an additional 1.54% CPI adjustment in 2021. The table below summarizes the costs to local government-owned facilities due to the proposed fee revisions.

Table 6. Summary of Title V Costs for Local Governments

Title V Fee Type	Year 1 Cost ^a
Annual Fees	
Base Permit Fee	\$56,694
Tonnage Fee ^b	\$2,482
Complexity Add-in	\$27,500
Annual Subtotal	\$86,676
Application Fees	
All Title V Applications	\$12,604
Total Cost	\$99,281

^a The costs reflect the projected 2021 revenues compared to projected 2020 base model revenues, which are based on an assumed 22 state-owned facilities, CY 2018 reported emissions of 436 tons, and the 5-year annual average historical application revenues from local government-owned facilities during fiscal years 2014-2015 through 2018-2019 with a CPI of 1.9% applied. The 2020 base model resulted in a projected revenue of \$6,404,700 and a resulting projected funding gap of \$1,677,010 for all Title V facilities, including both privately-owned and government-owned facilities. These values differ from the actual receipts from fiscal year 2019-2020 for all Title V facilities, which total \$6,308,702 and result in a funding gap of \$1,769,008.

^b The emissions expected to be billed in 2020 are based on an IBEAM report of 2018 reported emissions inventory for 21 local government-owned Title V facilities. One additional facility owned by local-government received a Title V permit in 2019.

Federal Facilities

The DAQ identified four Title V facilities owned by the federal government. Since these are not privately-owned facilities, the costs incurred by these facilities have been analyzed separately. Tonnage costs are based on 1,155 tons of emissions billed per year, which reflects the 2018-reported emissions from these facilities. The DAQ assumed that the number of federally-owned Title V facilities and the emissions from these facilities will remain constant over the time period analyzed. Review of these facilities indicates that two are considered moderately complex and two are considered highly complex.

Application fee costs consist of the costs due to increased modification application fees, and additional costs associated with CPI increases from all applications. From 2017 through 2019, the DAQ received a total of one minor modification application, two 1-step significant modification applications, and two 2-step significant modification applications from these four facilities. The estimated costs incurred by these facilities due to the application fee revisions are based on the assumption that the DAQ will receive one 1-step significant modification application, one 2-step modification application, and no minor modification applications from these facilities per year. The 2020 and 2021 application baselines were estimated using the same methods used for local government and state government facility applications. These facilities paid an annual average of \$2773 in application fees over the five year period from July 1, 2014 through June 30, 2019. In order to estimate the costs associated with these applications due to inflation adjustments, the DAQ applied a 1.9% CPI adjustment in 2020 and an additional 1.54% CPI adjustment in 2021. The costs incurred to federal facilities are summarized in the table below.

Table 7. Summary of Costs for Federal Facilities

Title V Fee Type	Cost ^a
Annual Fees	
Base Permit Fee	\$10,308
Tonnage Fee ^b	\$6,585
Complexity Add-in	\$20,000
Annual Subtotal	\$36,893
Application Fees	
All Title V Applications	\$8,537
Total Cost	\$45,430

^a The costs reflect the projected 2021 revenues compared to projected 2020 base model revenues. The 2020 model revenues are based on 4 federal government-owned facilities with CY 2018 reported emissions of 1,155 tons, and the 5-year annual average historical application revenues from these facilities during fiscal years 2014-2015 through 2018-2019 with a CPI of 1.9% applied. The projected 2020 base model result in a projected revenue of \$6,404,700 and a resulting projected funding gap of \$1,677,010 for all Title V facilities, including both privately-owned and government-owned facilities. These values differ from the actual receipts from fiscal year 2019-2020 for all Title V facilities, which total \$6,308,702 and result in a funding gap of \$1,769,008.

^b The emissions expected to be billed in 2020 are based on an IBEAM report of 2018 reported emissions inventory for the federal government-owned Title V facilities.

Impact on North Carolina DAQ

The purpose of these fee revisions is to allow the DAQ to fulfill its Title V funding obligations under Section 502 of the CAA and administer a salary administration plan in order to continue to provide the same level of customer service to regulated entities and the public. The DAQ currently utilizes 92.5 full time equivalent (FTE) positions to implement the Title V program in North Carolina. For the reasons described in this Section, the DAQ does not anticipate a substantial change in the total number of Title V facilities in the state, or the overall complexity of existing Title V sources with respect to new or changing federal regulations. Therefore, it is not expected that an increase in FTEs will be required to continue implementation of the Title V program. The goal of the salary administration program is to create and maintain a strong workforce, retain talent, and effectively recruit new employees through competitive salaries so that the DAQ can maintain the level of customer service currently being provided.

Failure to address the Title V shortfalls may result in both short- and long-term consequences for the DAQ, regulated entities and citizens of North Carolina. Insufficient funds to pay current staff salaries could cause DAQ staff cutbacks, potentially leading to decreased quality of service and insufficient workforce to operate many aspects of the program. For the regulated community, decreased service could include longer permit processing times or the potential for permits that fail to withstand EPA review. Reduced frequency or quality of inspections and permit reviews could lead to diminished air quality for

the citizens of North Carolina. For the DAQ, incomplete implementation of the Title V program could eventually result in the EPA partially or fully withdrawing approval of North Carolina's Title V operating permit program pursuant to 40 CFR 70.10(b) and (c), which could result in the loss of North Carolina's Title V revenues and the DAQ's 92.4 Title V FTEs. Title V receipts indicate revenues of \$6,308,702 in fiscal year 2019-2020, and review of the DAQ's current Title V staffing requirements indicates a potential loss of \$7,852,710 in salary payments to the 92.4 FTEs. Additional potential losses include the \$580,800 of Title V funds required to implement the DAQ's salary administration program. Without the ability to create and maintain competitive salaries, the DAQ risks losing talent and the ability to effectively recruit new employees, which are necessary to maintaining the current level of service provided to the regulated community and citizens of the state. Additional negative outcomes potentially avoided through implementation of this rule change include diminished public health and welfare from incomplete implementation of the Title V permitting program.

VI. Public Health and Environmental Impacts

The fee revisions involved in this rulemaking are proposed to avoid a projected funding shortfall for North Carolina's Title V air permitting program and implement the salary administration program described in Section II. There are no expected changes to the emission control requirements at Title V facilities or number of Title V facilities as a result of this rule change compared to the current status.

However, without the fee adjustment, the DAQ would not fulfill its obligations under CAA Section 502(b)(3) to collect sufficient revenues to fund its Title V program. Insufficient revenues could negatively impact the quality of the DAQ's Title V operating permit program. Such negative impacts could result in loss of staff, which could lead to longer permit processing timeframes and diminished permit quality. Under 40 CFR §70.10(c), circumstances, in whole or part, that could lead to EPA withdrawal of program approval include the State's failure to collect fees in accordance with 40 CFR §70.9, repeated issuance of permits that do not conform to the requirements of Part 70, failure to act in a timely way on permit applications, violations of permits or other program requirements, and failure to inspect and monitor activities. In the event that the EPA withdraws approval of North Carolina's Title V operating permit program, the EPA may promulgate, administer, or enforce a Title V Federal program within 2 years. The DAQ's ability to provide quality Title V permits that can withstand EPA scrutiny is important to both the regulated community and citizens of the state. Therefore, the DAQ expects this rule change to benefit the regulated entities and the public by maintaining the current implementation of the Title V program and its associated public health and environmental benefits.

VII. Cost and Benefit Summary

The DAQ developed a cost and benefit analysis of the proposed changes to 15A NCAC 02Q .0203. The analysis is based on the proposed fee changes described in Section IV of this fiscal note and an assumed annual CPI adjustment of 1.54% for each fee type, beginning in 2021. The fiscal analysis was performed over a 5-year period. This was the longest time period that the DAQ and stakeholder group determined could be reliably estimated. As discussed in this fiscal note, emissions billed in a given year generally correspond to those reported two years prior. Therefore, these projections required predictions of emissions through year 3. Due to the various factors affecting emissions, it is difficult to reliably predict total statewide Title V emissions beyond this time period. The DAQ has assumed other inputs to the

model, such as the total number and complexity of Title V facilities (total number of applicable federal regulations), and volume and breakdown of types of Title V applications will remain consistent with that used to generate the projected 2020 base funding model.

Title V Fees and Inflation Adjustments

Table 8 shows the proposed changes to the Title V fees. The table includes the fees currently applicable in CY 2020, the proposed fee changes that will become effective in Year 1, and those proposed fees adjusted for inflation annually through Year 5 using a CPI factor of 1.54%.

Table 8. Proposed Fee Changes

Title V Fee Type	2020	Year 1	Year 2	Year 3	Year 4	Year 5
Annual Fees						
Base Permit Fee	\$7,423	\$10,000	\$10,154	\$10,310	\$10,469	\$10,630
Tonnage Fee	\$34.30	\$40.00	\$40.62	\$41.24	\$41.88	\$42.52
General Title V ACI Base Fee	\$742.30	\$1,000.00	\$1,015.40	\$1,031.04	\$1,046.92	\$1,063.04
Complexity Add-in						
Moderately Complex	\$0	\$2,500	\$2,539	\$2,578	\$2,617	\$2,658
Highly Complex	\$0	\$7,500	\$7,616	\$7,733	\$7,852	\$7,973
Application Fees						
Minor Modification Fee	\$988	\$3,000	\$3,046	\$3,093	\$3,141	\$3,189
Significant Modification Fee 1-step	\$988	\$7,000	\$7,108	\$7,217	\$7,328	\$7,441
Significant Modification Fee -2-step	\$1,976	\$7,000	\$7,108	\$7,217	\$7,328	\$7,441

Revenue Surplus and Deficits

In order to determine the sustainability of the funding model going forward, the DAQ projected the revenues expected through 2025 with projected changes in tonnage and annual inflation adjustments. As described previously, the DAQ expects Title V-related workload to remain constant through this time period and has therefore projected the same base funding of \$8,077,710 required through 2025 to continue implementation of the program. As described in Section III, the stakeholder group agreed to phase in the Title V funds needed for the salary administration program. The DAQ determined that \$580,800 of Title V funds would be required to fully implement the plan, which corresponds to approximately 7% of the base funding needed for the Title V program. The phased approach incorporates a 2.5% planning adjuster in the first year to account for the salary administration plan, which is then increased to 5% in the second year and the full 7% beginning in Year 3. Thus, due to the salary administration plan phase-in, the total Title V funds required increases during the first three years, and then projected to remain constant for the rest of the five-year period.

As shown in the Table 9 below, the funding model projects a surplus of \$150,891 in Year 1. With annual inflation adjustments and a slight increase in billable emissions in the second year, a larger surplus of

\$162,935 is projected, after which declining billable emissions override annual inflation adjustments and yield funding deficits in Years 3 through 5.

Table 9. Total Projected Revenues

Title V Fee Type	Fiscal Year 2019-2020	Year 1	Year 2	Year 3	Year 4	Year 5
Annual Fees						
Base Permit Fees		\$2,790,000	\$2,832,966	\$2,876,594	\$2,920,893	\$2,965,875
Projected Tonnage ^a		114,018	116,090	112,780	106,736	100,906
Tonnage Fees		\$4,560,720	\$4,715,111	\$4,651,215	\$4,469,741	\$4,290,675
General Title V ACI Base Fees		\$11,000	\$11,169	\$11,341	\$11,516	\$11,693
Annual Fees Subtotal	\$6,170,611	\$7,361,720	\$7,559,247	\$7,539,150	\$7,402,151	\$7,268,243
Complexity Add-in						
Moderately Complex	\$0	\$320,000	\$324,928	\$329,932	\$335,013	\$340,172
Highly Complex	\$0	\$240,000	\$243,696	\$247,449	\$251,260	\$255,129
Total Complexity Fees Subtotal	\$0	\$560,000	\$568,624	\$577,381	\$586,272	\$595,301
Application Fees						
Minor Modification Fee Increase	\$0	\$95,846	\$97,322	\$98,820	\$100,342	\$101,888
Significant Modification Fee Increase	\$0	\$179,346	\$182,108	\$184,912	\$187,760	\$190,651
Application Baseline	\$138,091	\$233,633	\$237,230	\$240,884	\$244,593	\$248,360
Application Subtotal	\$138,091	\$508,824	\$516,660	\$524,616	\$532,695	\$540,899
Total Revenues ^b	\$6,308,702	\$8,430,544	\$8,644,531	\$8,641,147	\$8,521,119	\$8,404,443
Projected Base Funding Needed	\$8,077,710	\$8,077,710	\$8,077,710	\$8,077,710	\$8,077,710	\$8,077,710
Adjuster for Planning	0.0%	2.5%	5.0%	7.0%	7.0%	7.0%
Adjusted Funding Needed	\$8,077,710	\$8,279,653	\$8,481,595	\$8,643,150	\$8,643,150	\$8,643,150
Surplus	-\$1,769,008	\$150,891	\$162,935	-\$2,002	-\$122,031	-\$238,706

^a Tonnage values to be billed in 2021-2025 are estimations based on projected emissions for five significant contributors to Title V emission totals which are projected to have substantial emission changes, Duke Energy, Blue Ridge Paper, CPI USA North Carolina (Southport and Roxboro plants), and PCS Phosphate Company. Overall emissions from the remaining Title V sources were assumed to remain constant from 2018 reported levels.

^b Since this fiscal note is being prepared prior to the end of calendar year 2020, this table contains the revenues from fiscal year 2019-2020. The revenues for Years 1 through 5 reflect projections based on assumed number of facilities, emission projections, and averages of historical application revenues and volumes received.

To manage projected funding shortfalls, both for fiscal year 2020-2021 and for Years 3 through 5 in the revenue analysis, the DAQ continues to manage the cash flow of the program through evaluation of revenues and expenditures, and corresponding adjustments to DAQ work on a year-by-year basis. If the DAQ is unable to eliminate the projected deficits through cash flow management, further future revisions to the Title V fees may be required.

Costs and Revenues Compared to 2020 Baseline

To determine the projected incremental costs to facilities and the equivalent additional revenues to DAQ through 2025, the DAQ compared the revenues projected for each year in the five-year period to the projected revenues under the 2020 base model scenario. The 2020 base model scenario incorporates an assumed number of facilities, calendar year 2018 reported emissions, and an application baseline that is reflective of the 5-year average historical application revenues from fiscal year 2014-2015 through fiscal year 2018-2019, adjusted for inflation using a CPI of 1.9%.⁸ The greatest cost impact is projected to be in the second year, due to inflation adjustments and a projected increase in emissions billed during this year. In years 3 through 5, the costs are expected to decline as the reduced tonnage costs due to decreasing emissions offsets increased fees due to inflation adjustments. The proposed fee changes are projected to cost Title V permit holders approximately \$8.2 million over five years in 2020-dollar terms.⁹ This value excludes the unquantified benefits to regulated entities and the public from maintaining a strong state-administered Title V program.

As required by G.S. § 150B-21.4(b1), the DAQ is required to determine whether the proposed rule changes have a “substantial economic impact,” defined as an aggregate financial impact on all persons affected of at least one million dollars (\$1,000,000) in a 12-month period. The DAQ has determined that the highest aggregate 12-month quantified impact is projected to occur in 2022 and is estimated at \$2.1 million in costs to Title V facilities and equivalent benefits to the DAQ, not including the unquantified benefits to regulated entities and the public. Therefore, the proposed fee changes are considered to have a substantial economic impact on North Carolina.

⁸ The projected revenues under the 2020 base model scenario are \$6,400,700, which differs from the actual receipts from fiscal year 2019-2020 of \$6,308,702.

⁹ In accordance with the North Carolina Administrative Procedures Act (APA), costs that occur in the future are required to be discounted by a factor of seven percent to determine the net present value (NPV) of the costs.

Table 10. Projected Annual Impacts of the Proposed Changes to the Title V Fees

Title V Fee Type	2020 ^a	Year 1 ^a	Year 2 ^a	Year 3 ^a	Year 4 ^a	Year 5 ^a
Annual Fees						
Base Permit Fees	-	\$718,983	\$761,949	\$805,577	\$849,876	\$894,858
Tonnage Fees	-	\$343,878	\$498,269	\$434,373	\$252,899	\$73,833
General Title V ACI Base Fees	-	\$3,577	\$3,746	\$3,918	\$4,093	\$4,270
Annual Fees Impact	-	\$1,066,438	\$1,263,965	\$1,243,868	\$1,106,869	\$972,961
Complexity Add-in						
Moderately Complex	-	\$320,000	\$324,928	\$329,932	\$335,013	\$340,172
Highly Complex	-	\$240,000	\$243,696	\$247,449	\$251,260	\$255,129
Complexity Fees Impact	-	\$560,000	\$568,624	\$577,381	\$586,272	\$595,301
Application Fees ^b						
Minor Modification Fee	-	\$95,846	\$97,322	\$98,820	\$100,342	\$101,888
Significant Modification Fee	-	\$179,346	\$182,108	\$184,912	\$187,760	\$190,651
Application Baseline	-	\$3,543	\$7,141	\$10,795	\$14,504	\$18,271
Application Fee Impact	-	\$278,735	\$286,571	\$294,527	\$302,606	\$310,810
Total Annual Impact	-	\$1,905,173	\$2,119,159	\$2,115,776	\$1,995,747	\$1,879,072
Total Five Year Impact						
		\$10,014,928				
Net Present Value of Costs to Regulated Community, Benefit to DAQ						
		\$8,220,893				

^a The impacts for Years 1 through 5 are based on a comparison of projected revenues for Years 1 through 5 and the projected revenues from the 2020 base model scenario. The 2020 model scenario incorporates an assumed 279 Title V facilities, 10 Title V ACI General permits, CY 2018 reported emissions, and the 5-year average annual application revenues from fiscal years 2014-2015 through 2018-2019 with a 1.9% CPI adjustment applied. The 2020 revenues projected under this base model scenario differ from actual receipts for fiscal year 2019-2020, which are shown in Table 9 of this fiscal note.

^b The minor and significant modification values represent the difference between the application baseline and new proposed fees. The Application Baseline is based on the 5-year average of total Title V applications billed in fiscal year 2014-2015 through fiscal year 2018-2019, adjusted for inflation each year in the analysis. It is assumed that application volumes and types remain constant each year in the analysis.

Key Uncertainties

The inputs to the revenue analyses presented in this fiscal note contain various assumptions, some of which were based on historical averages or future projections. Due to the nature of these assumptions and various factors affecting the fees, the DAQ has identified some key uncertainties in the revenue analyses,

such as the assumed CPI factor of 1.54%, the projected tonnage values, total number of Title V facilities statewide, and volume of applications received each year.

The revenue analysis uses a CPI increase of 1.54%, based on the 5-year average IMF US Inflation Forecast¹⁰. 15A NCAC 02Q .0204 specifies that inflation adjustments will be made in accordance with 40 CFR 70.9(b)(2)(iv), which identifies the Consumer Price Index for any calendar year as the average of the Consumer Price Index for all-urban consumers published by the Department of Labor, at the close of the 12-month period ending on August 31 of each calendar year. Review of the CPI increases applied by the DAQ to determine the fees for CY 2017 through 2020 indicate that the approximate range of the CPI factor used in this time period was 0.8% to 2.4%. Using a CPI factor of 2.4% in the revenue analysis performed by the DAQ results in approximately \$733,000 of additional impact over the 5-year period¹¹. Use of a CPI factor of 0.8% in the revenue analysis results in approximately \$621,000 less in impact over the 5-year period. Current CPI predictions appear to range from 0.6%¹² to 0.86%¹³ for 2020, and around 2%¹⁴ thereafter. If applied each year, the CPI factor of 0.6% results in about \$787,000 less in revenue over the 5-year period. On an annual basis, this represents approximately 0.2% to 3.6% of the total Title V funds required each year over the 5-year period.

The DAQ assumed that the total number of Title V facilities will remain constant at 279, and that tonnage billed will decrease over time, with the exception of an increase in tons billed in the second year. As discussed previously, these emission projections were formed based on analysis and correspondence with some Title V sources in the state. The projections provided for these sources were added to the CY 2018 reported emissions for the remaining sources to arrive at the five-year projections. Due to the numerous factors affecting emissions and operations of a particular source and the number of sources in the state, the DAQ could not reasonably and accurately predict the emissions from all Title V sources through the time period used for this analysis. Since a significant portion of the total revenues are due to tonnage fees, a substantial difference between the actual tonnage billed and the values used in the revenue analyses would have a significant effect on the total Title V revenues. If the revenue analysis inputs have been underestimated such that total revenues are insufficient to cover the costs of the program, the DAQ may need to further revise the Title V fees in the future in order to meet its funding obligations under the CAA Section 502.

VIII. Rule Alternatives

The DAQ is required to analyze alternative approaches under the proposed rulemaking if a substantial economic impact to the state and/or private sector entities is expected to result from the rulemaking. The

¹⁰ 5-year average CPI factor of 1.54% obtained as the IMF US Inflation forecast from: <https://knoema.com/kyawad/us-inflation-forecast-2020-2021-and-long-term-to-2060-data-and-charts>

¹¹ The Year 1 through Year 5 impacts under each CPI scenario in the sensitivity analysis compares each Projected Year's revenues with the projected 2020 base model scenario, which uses assumptions and averages as described in footnote a to Table 10. The revenues under this base model scenario differ from actual fiscal year 2019-2020 receipts, which are shown in Table 9.

¹² 2020 Forecast CPI factor of 0.6% obtained as the IMF US Inflation forecast from: <https://knoema.com/kyawad/us-inflation-forecast-2020-2021-and-long-term-to-2060-data-and-charts>

¹³ 2020 Forecast CPI factor of 0.86% from IHS Markit.

¹⁴ Based on forecast CPI factors from the IMF US Inflation forecast and IHS Markit.

DAQ researched the Title V fee structures in other states, with a focus on those implemented in the surrounding southeastern states. During this process, the DAQ determined that some surrounding states were also considering Title V fee changes. The research indicated that no two states have the exact same fees, but all states or local entities use various combinations of the following types of fees:

- 1) Tonnage, or “per ton” fees, based on either allowable or actual emissions.
- 2) Base annual fees, including minimum fees, a single base fee for all facilities, tiered base fees, and base fees for certain categories, such as EGUs or paper mills. Several states do not charge base annual fees.
- 3) Application fees, including fees that vary based on the type of application, extent of the review, or other factors. Others have limited application fees or only charge fees for expedited or greenfield applications.
- 4) Hourly review fees; and
- 5) “A la carte” options which include added fees for compliance activities, such as stack test observations or inspection report reviews, added annual fees, such as complexity fees or hazardous air pollutant (HAP) fees, and added fees for various application components, such as public comment periods or air dispersion modeling.

The DAQ presented the various fee options implemented in surrounding states to the stakeholder group for evaluation. The analysis below presents three alternatives to the proposed fee changes described in Section IV of this fiscal note. Alternative 1 presents a baseline scenario in which the Title V fees are only adjusted using the annual inflation adjustment already allowed by the rule. Alternatives 2 and 3 present two of the options that are currently utilized in surrounding states.

Alternative 1: No Fee Changes

The current language of 15A NCAC 02Q .0203 contains the annual fees applicable for CY 2011 and application fees applicable for CY 1994, and allows these fees to be adjusted for inflation annually using a CPI factor, as specified in 15A NCAC 02Q .0204. Without the proposed fee increases described in Section IV of this fiscal note, the 2021 Title V annual and application fees would only increase by the CPI factor. Using a 5-year average CPI increase of 1.54 percent, the annual base and tonnage fees for 2021 are projected to be \$7,537 per facility and \$34.83 per ton, respectively, with no additional complexity fees. Using a constant Title V facility count of 279 and the CY 2019 reported emissions of 114,018 tons, the state would be expected to receive \$85,656 less annual fees in 2021 than received in fiscal year 2019-2020. The projected Year 1 revenue under this alternative is based on the historical 5-year annual average application revenues from fiscal year 2014-2015 through fiscal year 2018-2019, which was adjusted using a CPI of 1.9% to project a 2020 revenue, and then adjusted again using a CPI of 1.54% to project the 2021 revenue. The state would be projected to receive an additional \$95,542 in application fees under this alternative as compared to fiscal year 2019-2020 receipts. The result of this alternative is a projected revenue increase of \$9,885, which is insufficient to resolve the projected funding shortfall. The costs associated with this alternative are summarized in Table 11 below.

The estimated total Title V fees received in Year 1 under this alternative are projected to be \$6,318,587 which results in a projected deficit of \$1,759,123 during 2021. With such a funding shortfall, the DAQ would not fulfill its obligations under CAA Section 502(b)(3) to collect sufficient revenues to fund its

Title V program. Insufficient revenues could negatively impact the quality of the DAQ's Title V operating permit program. Such negative impacts could result in loss of staff, which could lead to longer permit processing timeframes and diminished permit quality. Under 40 CFR §70.10(c), circumstances, in whole or part, that could lead to EPA withdrawal of program approval include the State's failure to collect fees in accordance with 40 CFR §70.9, repeated issuance of permits that do not conform to the requirements of Part 70, failure to act in a timely way on permit applications, violations of permits or other program requirements, and failure to inspect and monitor activities. In the event that the EPA withdraws approval of North Carolina's Title V operating permit program, the EPA may promulgate, administer, or enforce a Title V Federal program within 2 years. The DAQ's ability to provide quality Title V permits that can withstand EPA scrutiny is important to both the regulated community and citizens of the state.

Table 11. Alternative 1 Projected Revenues

Title V Fee Type	Fiscal Year 2019-2020 Receipts	Projected Year 1 Revenue	Revenue Difference
Annual Fees			
Base Permit Fee ^a		\$2,102,911	
Tonnage Fee ^b		\$3,971,044	
Complexity Add-in		\$0	
General Title V ACIs Base Fee ^c		\$11,000	
Annual Subtotal	\$6,170,611	\$6,084,955	-\$85,656
Application Fees			
All Title V applications	\$138,091	\$233,633	\$95,542
Total	\$6,308,702	\$6,318,587	\$9,885
Projected base funding needed	\$8,077,710	\$8,077,710	
Adjuster for planning	7%	7%	
Adjusted projected funding needed	\$8,643,150	\$8,643,150	
Funding deficit (without planning adjuster)	\$1,769,008	\$1,759,123	
Funding deficit (with planning adjuster)	\$2,334,448	\$2,324,562	

^a The projected 2021 base fee revenues reflect a total of 279 facilities and a base permit fee of \$7,537 per facility which reflects the 2020 fee with 1.54% CPI adjustment.

^b The projected 2021 tonnage fee revenues were calculated using the CY 2019 reported emissions of 114,018 tons with a tonnage fee of \$34.83 per ton, which reflects the 2020 tonnage fee with 1.54% CPI adjustment.

^c 2021 ACI base fees reflect 11 ACI Title V facilities, based on the assumption that one pending ACI Title V application will be issued prior to the end of 2020.

^d "All Title V Applications" represents the fees received for all Title V applications, including greenfield facilities, minor and significant modifications, PSD and Nonattainment applications, ownership changes, and construction notifications. The fiscal year 2019-2020 receipts reflect the actual revenues received from Title V applications during fiscal year 2019-2020. The projected 2021 value was determined by averaging Title V application fees received from FY 2014-2015 through FY 2018-2019, applying a 1.9% CPI adjustment, and an additional 1.54% CPI adjustment.

^e The DAQ determined that an additional \$580,800 of Title V funds are required to implement the salary administration program, which is approximately 7% of the projected base funding required for the Title V program.

Further, this alternative does not provide the DAQ with the Title V revenues necessary to administer the salary administration plan described in Section II, which could lead to increased staff turnover and loss of talent, and hinder the DAQ's ability to maintain the level of customer service currently provided to the regulated community and citizens of the state. The DAQ has determined that noncompliance with CAA Section 502(b)(3) and diminished customer service are undesirable outcomes and therefore, this alternative was not chosen.

Alternative 2: Larger Increase in Tonnage Fee

During the research of surrounding states' Title V fee structure, it was noted that at least one state, Kentucky, relies entirely on tonnage fees for funding the Title V program. The DAQ explored the option of a larger increase in the tonnage fee factor, with no changes to the other types of fees currently in place in North Carolina. A factor of \$47.50 per ton was considered in combination with the emissions billed in 2019, reflecting 2017 reported emissions, while keeping all other fees constant. Based on an evaluation of the Title V facilities and discussions with some of the Title V facilities, the DAQ projected further emission decreases over the next five years, with a projected total of 100,906 tons billed in Year 5, which reflects a decrease in emissions of approximately 17 percent from 2020-billed emissions. While a sufficient increase in tonnage factor could result in the additional Title V revenues needed to cover the base Title V funding requirements, it was agreed by the DAQ and stakeholder group that increased reliance on tonnage was not a sustainable funding model due to the projected decreases in emissions moving forward.

Additionally, one of the key tenets of the stakeholder proposal was to increase the correlation between the DAQ resources utilized at a given facility and the fees charged to that facility, primarily through addressing complexity. It was noted that the total emission tonnage at a particular facility does not necessarily reflect the amount of DAQ resources utilized to implement the Title V program at that facility. As certain facility categories implement numerous applicable federal regulations, the emissions at that facility will decrease, while the DAQ's workload increases.

Due to the projected decrease in emissions from Title V sources, potential for disconnect between a facility's emission tonnage and usage of DAQ resources, and agreement from the stakeholder group to decrease reliance on emission tonnage, this alternative was not selected as the best option to resolve the projected Title V funding shortfalls.

Alternative 3: Hourly Review Charges for Staff Time

One method of linking the fees paid by a particular facility directly to DAQ workload would be to charge hourly processing fees in order to recover the cost of DAQ staff time to review and process documents. Research indicates that while hourly processing fees do not appear prevalent in southeastern states, various forms of hourly processing fees are used in New Hampshire, Oklahoma, Alaska, Colorado, Delaware, Idaho and Iowa. Under this alternative, the hourly processing fees would be charged to each facility at a rate corresponding to the DAQ staff's hourly salary for time spent on tasks such as reviewing permit applications and compliance reports, conducting investigations, and observing stack tests. Permit holders would be charged after completion of the task, similar to billing methods used by consultants. The direct correlation between staff time spent on a particular facility and the fees paid by that facility would

ensure the DAQ receives sufficient Title V funds to cover the portion of staff salaries attributable to Title V program implementation, which comprises the majority of the Title V funds necessary to implement the program.

This alternative would require the DAQ to track individual staff time spent on each task pertaining to a particular Title V facility, which places additional workload on the DAQ without environmental benefit. Additionally, this option adds uncertainty to the regulated community since facilities would not know the fee for a particular project until completion. During the stakeholder meetings, the group agreed to a common goal of maintaining simplicity and certainty in the Title V fee structure in North Carolina. As described above, the addition of hourly processing fees would not meet these objectives established by the stakeholder group. Therefore, the addition of hourly processing fees was not selected as the best option for addressing the DAQ's Title V funding needs.

VIII. Conclusion

As described in this fiscal note and in accordance with 40 CFR 70.9, the DAQ must “...require that the owners or operators of Part 70 sources pay annual fees, or the equivalent over some other period, that are sufficient to cover the [Title V] program costs...” The DAQ projects to have Title V funding shortfalls in fiscal year 2020-2021 and onward. Failure to address the Title V funding shortfalls could result in incomplete implementation of the Title V program, and eventual withdrawal of EPA's approval of North Carolina's Title V operating permit program.

In order to resolve the projected funding shortfalls, the DAQ is proposing to revise the Title V fees in 15A NCAC 02Q .0203 as described in this fiscal note. The proposed fee revisions were developed through a series of stakeholder meetings in which the DAQ discussed the various fee options with a group of representatives from the Title V regulated community, environmental consulting and legal sectors, and nongovernmental environmental groups. In addition to the funds needed to support the Title V program, the DAQ presented the need for Title V funds to support a salary administration program designed to create and maintain competitive salaries in order to effectively recruit and retain talent so that the DAQ can continue to provide the same level of service currently being provided to the regulated community and citizens of North Carolina. The stakeholder group agreed to a phased approach in which the Title V funds needed for the salary administration program are integrated over three years. The DAQ researched the Title V fees collected in other states, presented various options to the stakeholder group along with a proposed funding model, and considered all options brought forward by the group. The fee revisions proposed in this rulemaking are the unanimous recommendation of the stakeholder group. An additional presentation of the proposed fee revisions was made available to the entire Title V regulated community on July 29, 2020.

The DAQ is proposing to increase the annual base fee, annual tonnage fee, and permit modification fees for Title V sources. Additionally, the DAQ is proposing to add an annual complexity fee for facilities, based on the number of applicable federal programs.

Based on the analysis of the costs associated with the increased fees, the DAQ projects a cost to the regulated community and equivalent revenue to the DAQ of approximately \$1.9 million the first year and

\$2.1 million the second year, subsequently decreasing to approximately \$1.9 million at the end of the five-year period evaluated. These values exclude the unquantified benefits to regulated entities and the public from maintaining a strong state-administered Title V program. The approximate cost breakdown for the first year is as follows: \$1.74 million to private industry, \$99,000 to local government facilities, \$16,000 to state government facilities, and \$45,000 to the federal government facilities.

Under the proposed fee schedule, the DAQ anticipates a surplus of over \$150,000 in the first two years followed by a small shortfall in Year 3, increasing to a shortfall of 240,000 by Year 5.

1 15A NCAC 02Q .0203 is proposed for amendment as follows:

2

3 **15A NCAC 02Q .0203 PERMIT AND APPLICATION FEES**

4 (a) The owner or operator of any facility holding a permit shall pay the following permit fees:

ANNUAL PERMIT FEES
(FEES FOR CALENDAR YEAR ~~2014~~2021)

Facility Category	Tonnage Factor	Basic Permit Fee	Nonattainment Area Added Fee
Title V	\$30.00 <u>\$40.00</u>	\$6,500 <u>\$10,000</u>	\$3,500 <u>\$3998</u>
Synthetic Minor		\$1,500	
Small		\$250	
General		50% of the otherwise applicable fee	
<u>General Title V ACI</u>		<u>10% of the otherwise applicable fee</u>	

5

6 A facility, other than a Title V facility, that has been in compliance is eligible for a 25 percent discount from the annual
 7 permit fees as described in ~~Paragraph (a) of~~ 15A NCAC 02Q .0205(a). Annual permit fees for Title V facilities in this
 8 Paragraph shall be adjusted for inflation as described in 15A NCAC 02Q .0204. ~~Annual permit fees for Title V~~
 9 ~~facilities consist of the sum of the applicable fee elements. The current annual permit fees shall be found on the~~
 10 ~~Division's website at [https://deq.nc.gov/about/divisions/air_quality/air_quality_permits/modifying_applying_for_air](https://deq.nc.gov/about/divisions/air_quality/air_quality_permits/modifying_applying_for_air_quality_permit)~~
 11 ~~quality_permit~~. Annual permit fees for Title V facilities in this Paragraph are equal to the sum of the basic permit fee,
 12 tonnage factor fee, and nonattainment area added fee, as applicable.

13 (b) In addition to the annual permit fees required by Paragraph (a) of this Rule, the owner or operator of a Title V
 14 facility shall pay the following annual complexity fee, as applicable:

15 (1) For facilities subject to at least three and no greater than six of the federal programs identified in
 16 Paragraph (c), the added annual complexity fee shall be \$2,500; or

17 (2) For facilities subject to seven or greater of the federal programs identified in Paragraph (c), the
 18 added annual complexity fee shall be \$7,500.

19 Annual complexity fees for Title V facilities shall be adjusted for inflation as described in 15A NCAC 02Q .0204.

20 (c) Each of the programs and regulations identified in Subparagraphs (1) through (5) of this Paragraph are considered
 21 a federal program for the purposes of determining complexity fees under Paragraph (b) of this Rule:

22 (1) The PSD program is considered one federal program for any facility that is subject to 15A NCAC
 23 02D .0530;

(2) The Risk Management Program under Section 112r of the Clean Air Act is considered one federal program for any facility that is subject to 15A NCAC 02D .2100;

(3) Each Subpart under 40 CFR Part 60, New Source Performance Standards (NSPS) is considered one federal program, with the exception of Subparts A, B, Ba, and C;

(4) Each Subpart under 40 CFR Part 61, National Emission Standards for Hazardous Air Pollutants (NESHAP) is considered one federal program, with the exception of Subpart A; and

(5) Each Subpart under 40 CFR Part 63, NESHAP for Source Categories, is considered one federal program, with the exception of Subparts A, B, C, D, and E.

The sum of all applicable federal programs identified in Subparagraphs (1) through (5) of this Paragraph shall be used to determine the annual complexity fee in accordance with Paragraph (b) of this Rule.

~~(b)(d)~~ In addition to the annual permit fee, ~~fee and annual complexity fee~~, a permit applicant shall pay a non-refundable permit application fee as follows:

PERMIT APPLICATION FEES
(FEES FOR CALENDAR YEAR ~~1994~~2021)

Facility Category	New or Modification	New or Significant Modification New or Significant Modification	<u>Significant Modification</u>	Minor Modification	Ownership Change
Title V		\$7,200	<u>\$7,000</u>	\$700 <u>\$3,000</u>	\$50 <u>\$60</u>
		<u>\$10,177</u>			
Title V (PSD or NSR/NAA)	\$10,900				\$50 <u>\$60</u>
	\$15,406				
Title V (PSD and NSR/NAA)	21,200				\$50 <u>\$60</u>
	<u>\$29,965</u>				
Synthetic Minor	\$400				\$50
Small	\$50				\$50
General			50% of the otherwise applicable fee		\$25
<u>General Title V ACI</u>			<u>10% of the otherwise applicable fee</u>		

Permit application fees for Title V facilities shall be adjusted for inflation as described in 15A NCAC 02Q .0204. ~~The current permit application fees shall be found on the Division's website at <https://deq.nc.gov/about/divisions/air-quality/air-quality-permits/modifying-applying-for-air-quality-permit>.~~

(e) The current annual permit fees, annual complexity fees, and permit application fees shall be found on the Division's website at <https://deq.nc.gov/about/divisions/air-quality/air-quality-permits/modifying-applying-for-air-quality-permit>.

1 ~~(e)~~(f) If a facility, other than a general facility, belongs to more than one facility category, the fees shall be those of
 2 the applicable category with the highest fees. If a permit application belongs to more than one type of application, the
 3 fee shall be that of the applicable permit application type with the highest fee.

4 ~~(d)~~(g) The tonnage factor fee shall be applicable only to Title V facilities. It shall be computed by multiplying the
 5 tonnage factor indicated in the table in Paragraph (a) of this Rule by the facility's combined total actual emissions of
 6 all regulated air pollutants, rounded to the nearest ton, contained in the latest emissions inventory that has been
 7 completed by the Division. The calculation shall not include:

- 8 (1) carbon monoxide;
- 9 (2) any pollutant that is regulated solely because it is a Class I or II substance listed pursuant to Section
 10 602 of the federal Clean Air Act (ozone depleters);
- 11 (3) any pollutant that is regulated solely because it is subject to a regulation or standard pursuant to
 12 Section 112(r) of the federal Clean Air Act (accidental releases); ~~and~~
- 13 (4) greenhouse gases; and
- 14 ~~(4)~~(5) the amount of actual emissions of each pollutant that exceeds 4,000 tons per year.

15 Even though a pollutant may be classified in more than one pollutant category, the amount of pollutant emitted shall
 16 be counted only once for tonnage factor fee purposes and in a pollutant category chosen by the permittee. If a facility
 17 has more than one permit, the tonnage factor fee for the facility's combined total actual emissions as described in this
 18 Paragraph shall be paid only on the permit whose anniversary date first occurs on or after July 1.

19 ~~(e)~~(h) The nonattainment area added fee shall be applicable only to Title V facilities required to comply with 15A
 20 NCAC 02D .0531 (Sources in Nonattainment Areas), 15A NCAC 02D .0900 (Volatile Organic Compounds), or 15A
 21 NCAC 02D .1400 (Nitrogen Oxides) and either:

- 22 (1) are in an area designated in 40 CFR 81.334 as nonattainment, or
- 23 (2) are covered by a nonattainment or maintenance State Implementation Plan submitted for approval
 24 or approved as part of 40 CFR Part 52, Subpart II.

25 ~~(f)~~(i) The facility category, Title V (PSD or NSR/NAA), in the permit application fees table in Paragraph ~~(b)~~(d) of
 26 this Rule means a facility whose application shall be subject to review pursuant to 15A NCAC 02D .0530 (Prevention
 27 of Significant Deterioration) or 15A NCAC 02D .0531.

28 ~~(g)~~(j) The facility category, Title V (PSD and NSR/NAA), in the permit application fees table in Paragraph ~~(b)~~(d) of
 29 this Rule means a facility whose application shall be subject to review pursuant to 15A NCAC 02D .0530 and .0531.

30 ~~(h)~~(k) Minor modification permit applications that are group processed shall require the payment of only one permit
 31 application fee per facility included in the group.

32 ~~(i)~~(l) No permit application fee shall be required for renewal of an existing permit, for changes to an unexpired permit
 33 when the only reason for the changes is initiated by the Director or the Commission, for a name change with no
 34 ownership change, for a change pursuant to 15A NCAC 02Q .0523 (Changes Not Requiring Permit Revisions), or for
 35 a construction date change, a test date change, a reporting procedure change, or a similar change.

36 ~~(j)~~(m) The permit application fee paid for modifications pursuant to 15A NCAC 02Q .0400, Acid Rain Procedures,
 37 shall be the fee for the same modification if it were subject to 15A NCAC 02Q .0500, Title V Procedures.

1 ~~(e)(n)~~ An applicant who files permit applications pursuant to 15A NCAC 02Q .0504 shall pay an application fee equal
2 to the application fee for the permit required pursuant to 15A NCAC 02Q .0500; this fee shall cover both applications,
3 provided that the second application covers only what is covered under the first application. If permit terms or
4 conditions in an existing or future permit issued pursuant to 15A NCAC 02Q .0500 are established or modified by an
5 application for a modification and if these terms or conditions are enforceable by the Division only, then the applicant
6 shall pay the fee under the column entitled "Minor Modification" in the table in Paragraph ~~(b)~~(d) of this Rule.

7
8 *History Note: Authority G.S. 143-215.3(a)(1),(1a),(1b),(1d);*
9 *Temporary Rule Eff. March 8, 1994 for a period of 180 days or until the permanent rule is effective,*
10 *whichever is sooner.*
11 *Eff. July 1, 1994;*
12 *Amended Eff. January 1, 2015; March 1, 2008; April 1, 2004; April 1, 2001; July 1, 1996;*
13 *Readopted Eff. April 1, ~~2018-2018~~;*
14 *Amended Eff. _____.*
15
16
17



North Carolina DAQ Title V Fee Changes

Department of Environmental Quality

Concept for Air Quality Committee, July 8, 2020



Title V Fee Evaluation – Outline

1. Introduction & Background
2. Historical Data
3. Funding Gap
4. Salary Administration
5. State Comparison
6. Options Evaluation
7. Stakeholder Process
8. Recommendation

Introduction & Background

NC Title V Fees

- Clean Air Act Section 502(b)(3) requires each air agency to collect fees ***“sufficient to cover all reasonable (direct and indirect) costs required to develop and administer”*** its Title V program.
- 40 CFR Part 70 contains additional detail regarding Title V fees:
 - Preparing regulations... regarding the permit program, implementation or enforcement
 - Reviewing & acting on permit applications
 - Admin costs of running the permit program (application tracking (IT), compliance certifications, data entry)
 - Implementation and enforcing terms of a Part 70 permit
 - Emissions and ambient monitoring
 - Modeling, analysis or demonstrations
 - Preparing inventories and tracking emissions
 - Direct and indirect support to sources under the Small Business Stationary Source Technical and Environmental Compliance Assistance Program



Introduction & Background

NC Title V Fees

Last action: March 1, 2008

That rule change allowed a phase-in of increasing tonnage factor fees through 2011

\$22.50 / ton March 1, 2008

\$25.00 / ton January 1, 2009

\$27.50 / ton January 1, 2010

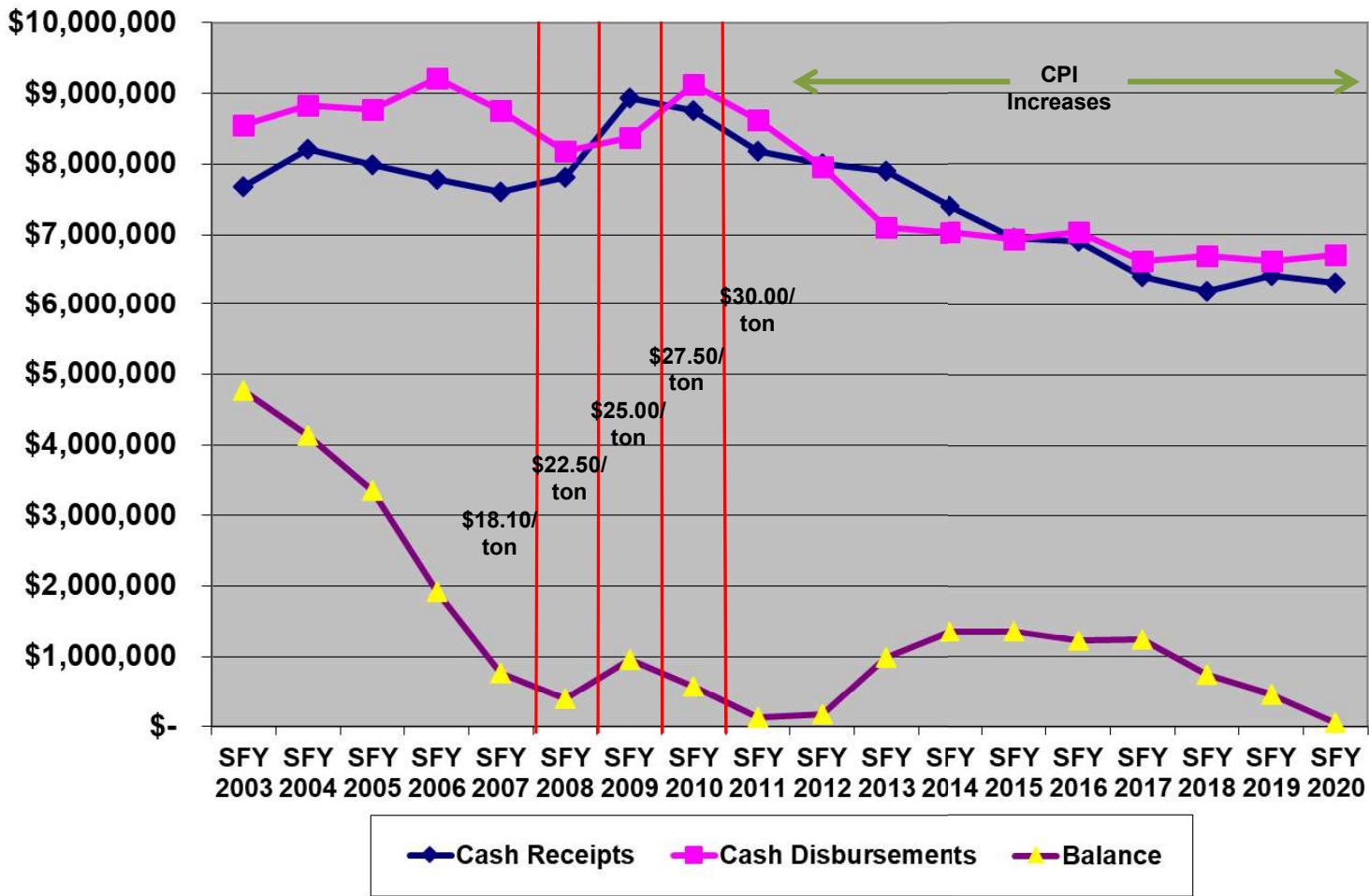
\$30.00 / ton January 1, 2011

Consumer Price Index (CPI) adjustments are allowed annually via the current rule.

\$34.25 / ton January 1, 2020



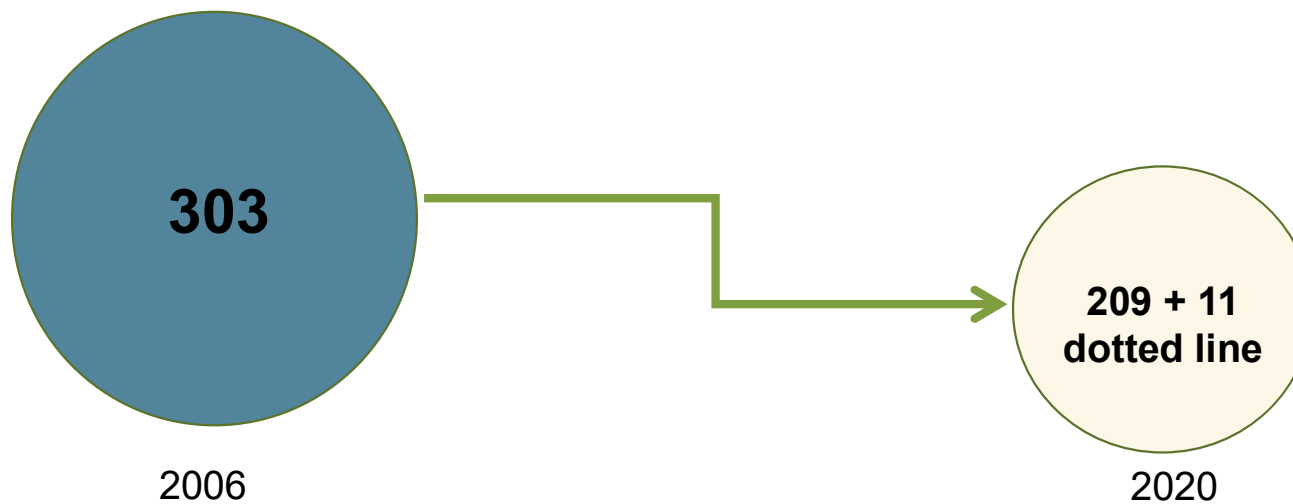
Title V Funds



Introduction & Background

What has DAQ done to reduce costs?

- Reduction in staffing across the board.

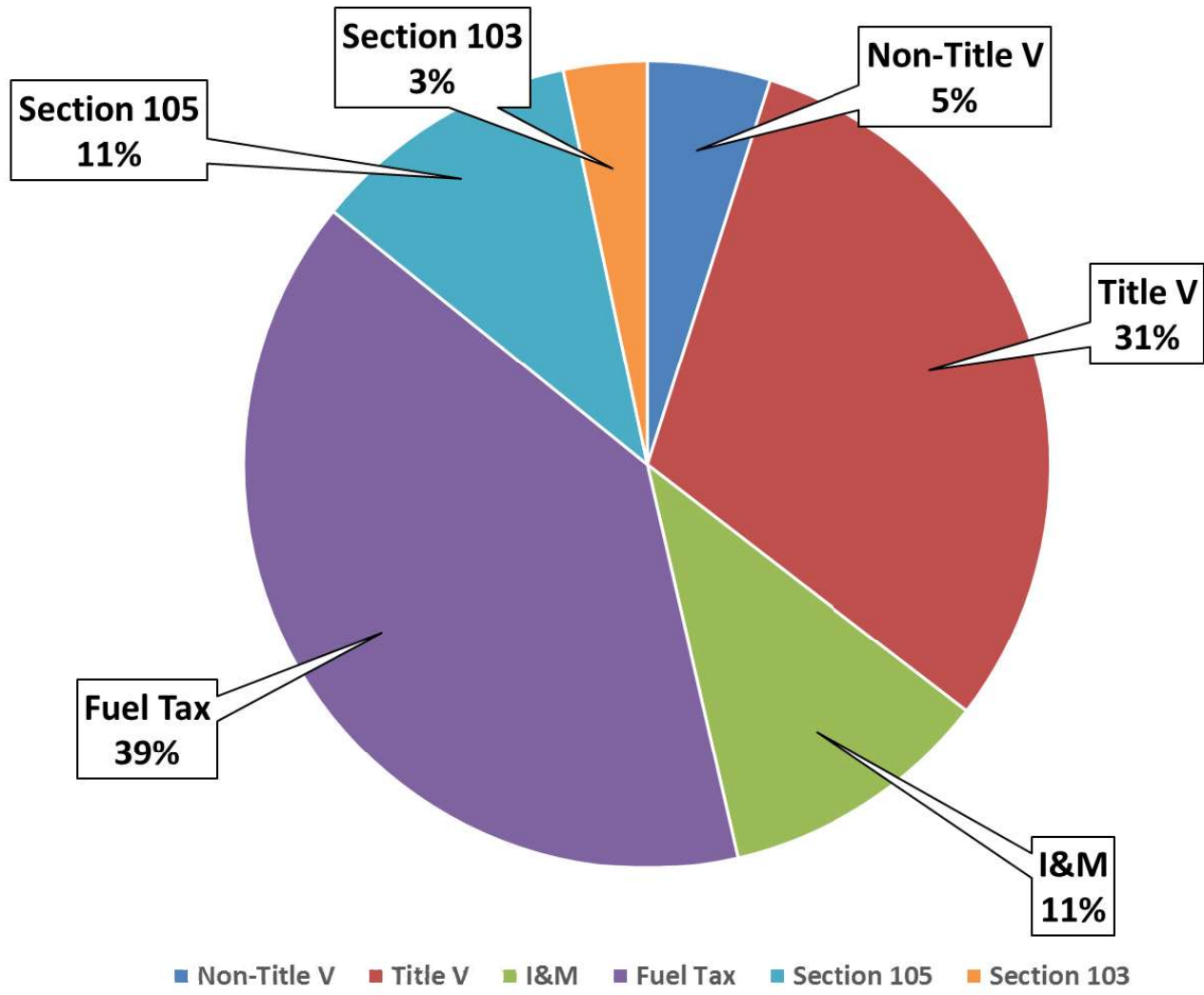


Introduction & Background

Emissions down, but not workload!

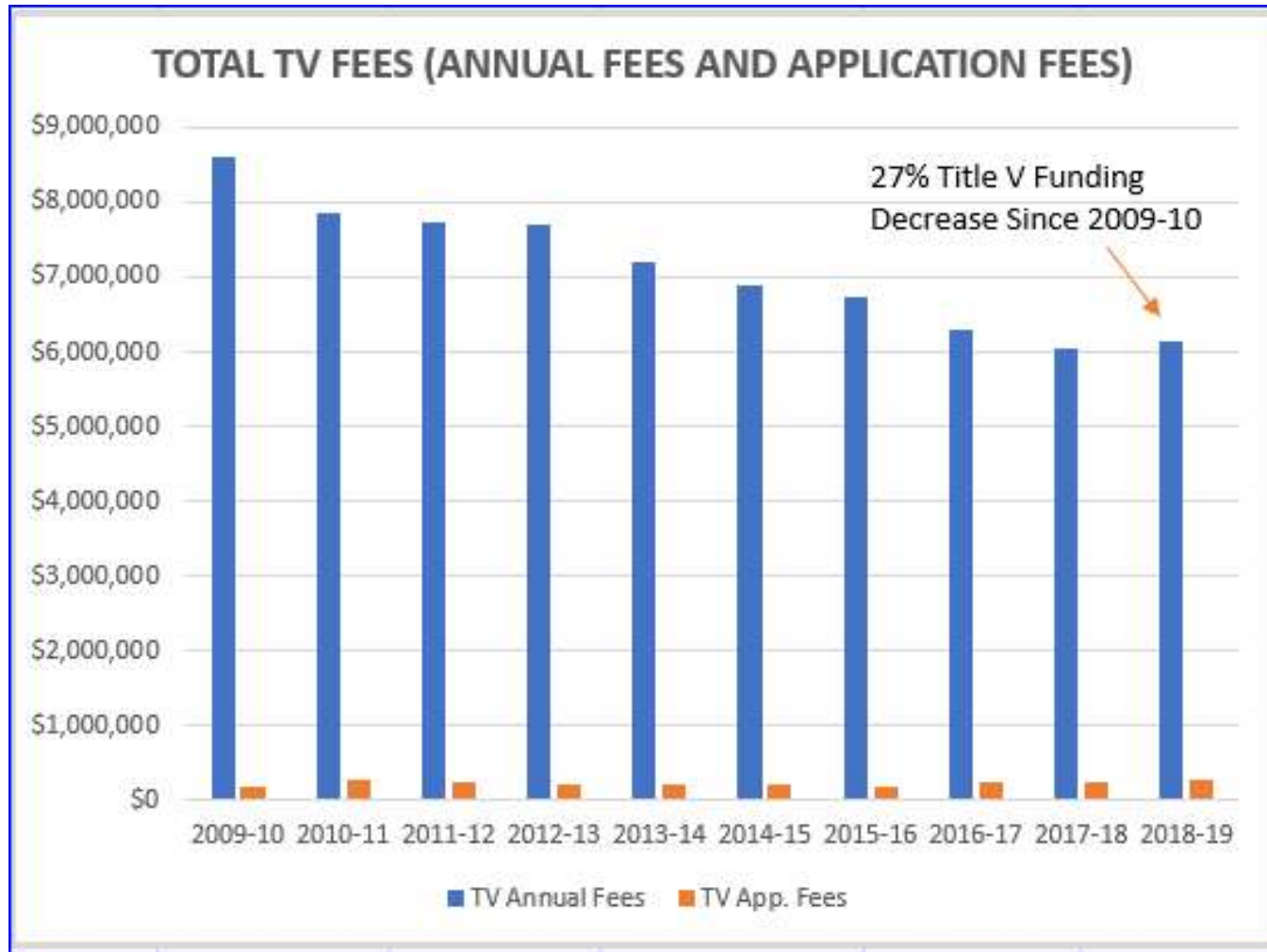
- **What's changed since the last fee change?**
 - **13% fewer Title V facilities**
 - **Revised NAAQS with attainment planning/implementation requirements (PM_{2.5}, O₃, several new SO₂/NO₂ ambient monitoring requirements)**
 - **Amendments to... or new Federal Regulations and Implementation:**
 - **New/Revised MACT Standards/RTR (Industrial Boilers, Utilities, RICE, etc.)**
 - **New/Revised NSPS Standards (Landfills, Oil & Gas, Pulp & Paper, ACI, etc.)**
 - **112j MACT Hammer Implementation (Boiler MACT, SSM SIP Call)**
 - **Public expectations/engagement in the permitting process**
 - **Increased stack testing (protocols, reviews, observations)**
 - **Emerging compounds**
 - **Personal air sensors**
 - **Double digit PSD applications in-house**
 - ***Recently - Decentralized some Title V renewals to Regional Offices**

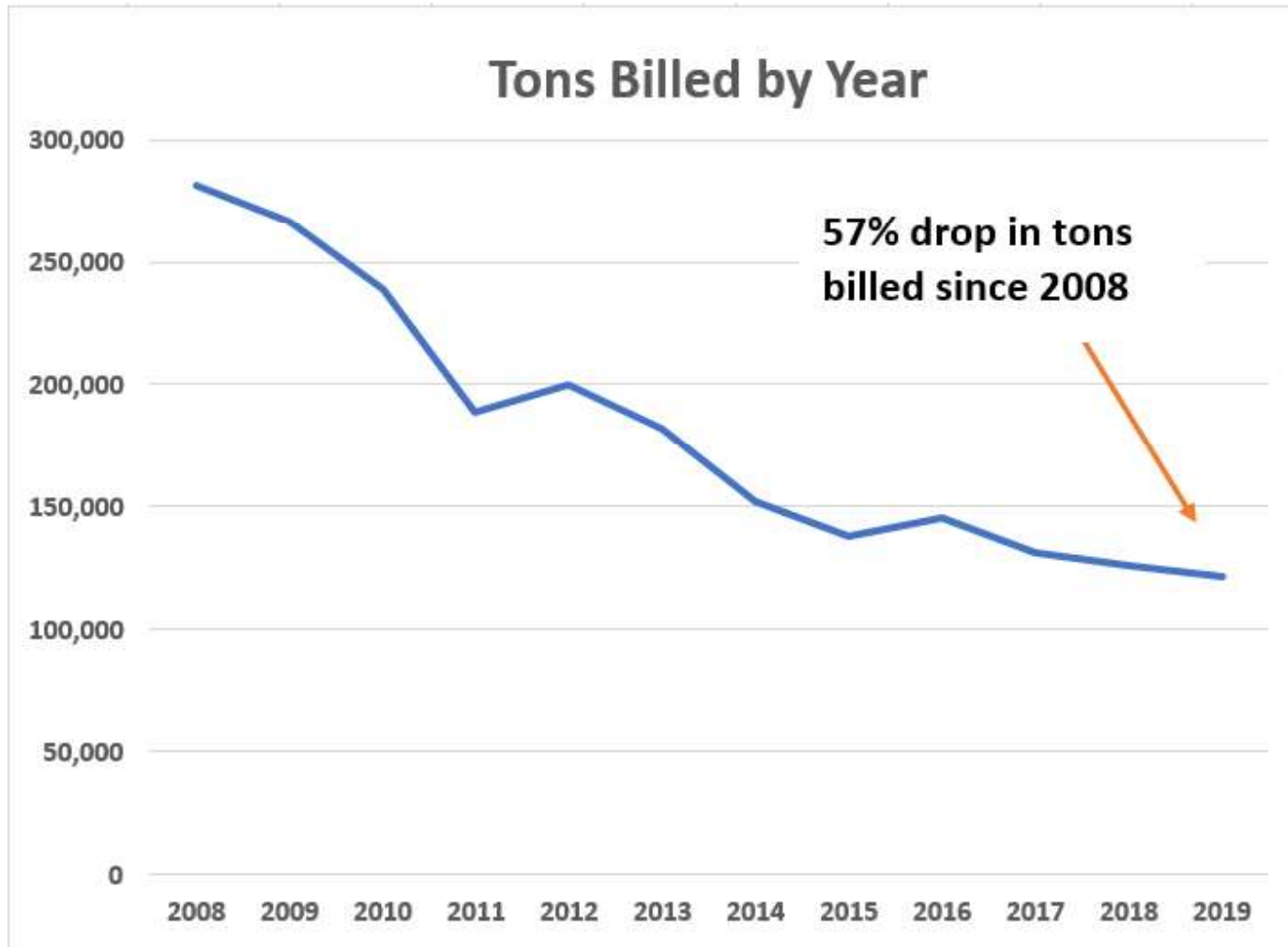




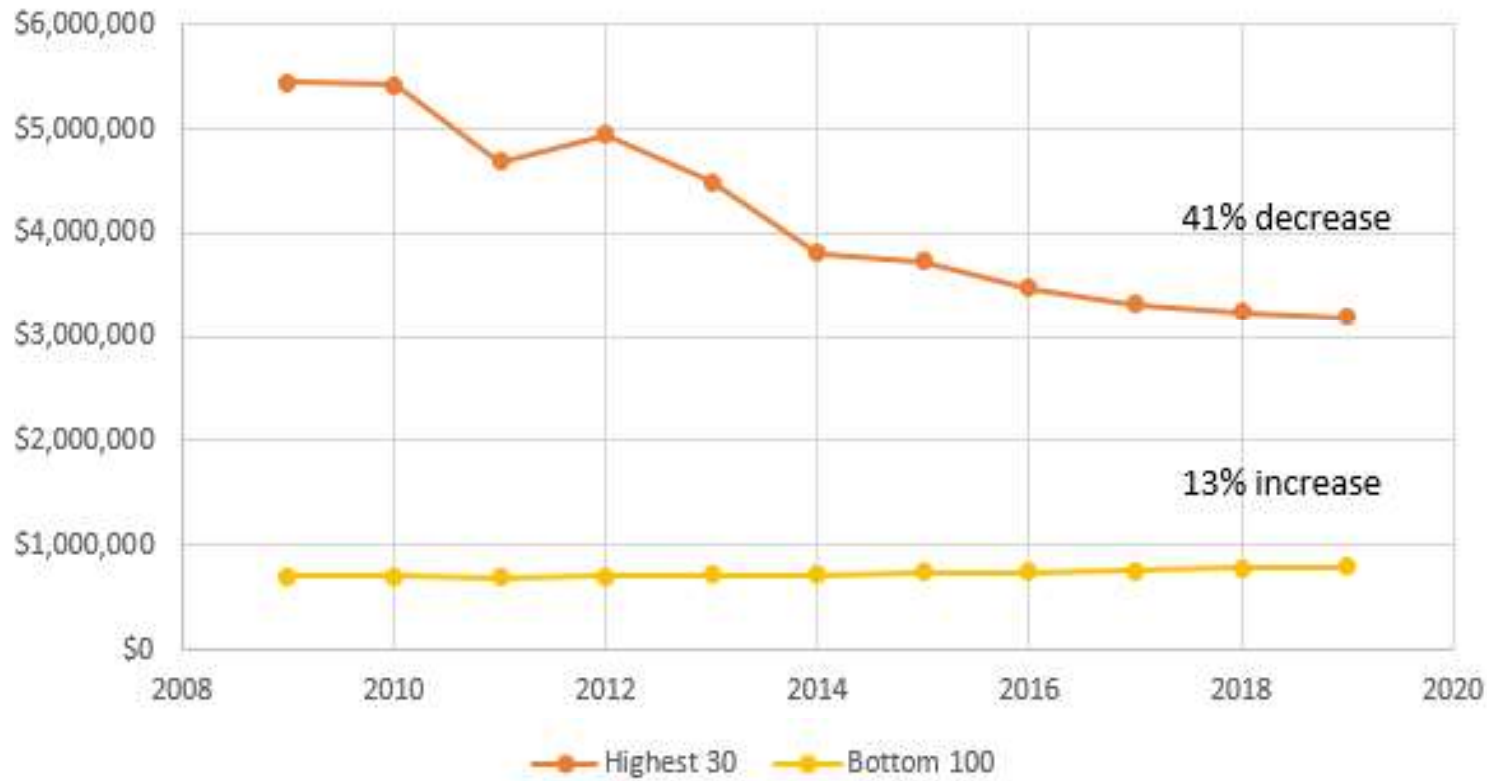
**NC DAQ Revenues
(SFY 19-20)**



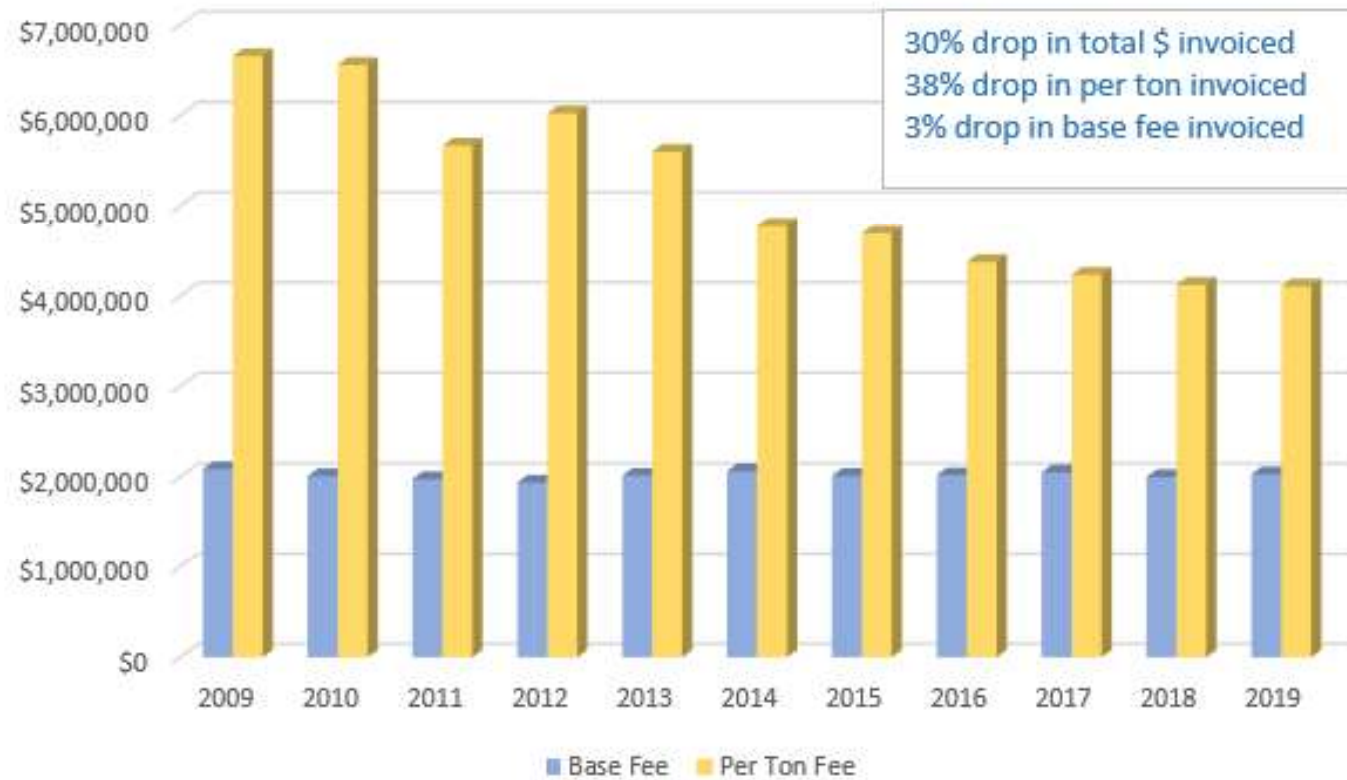


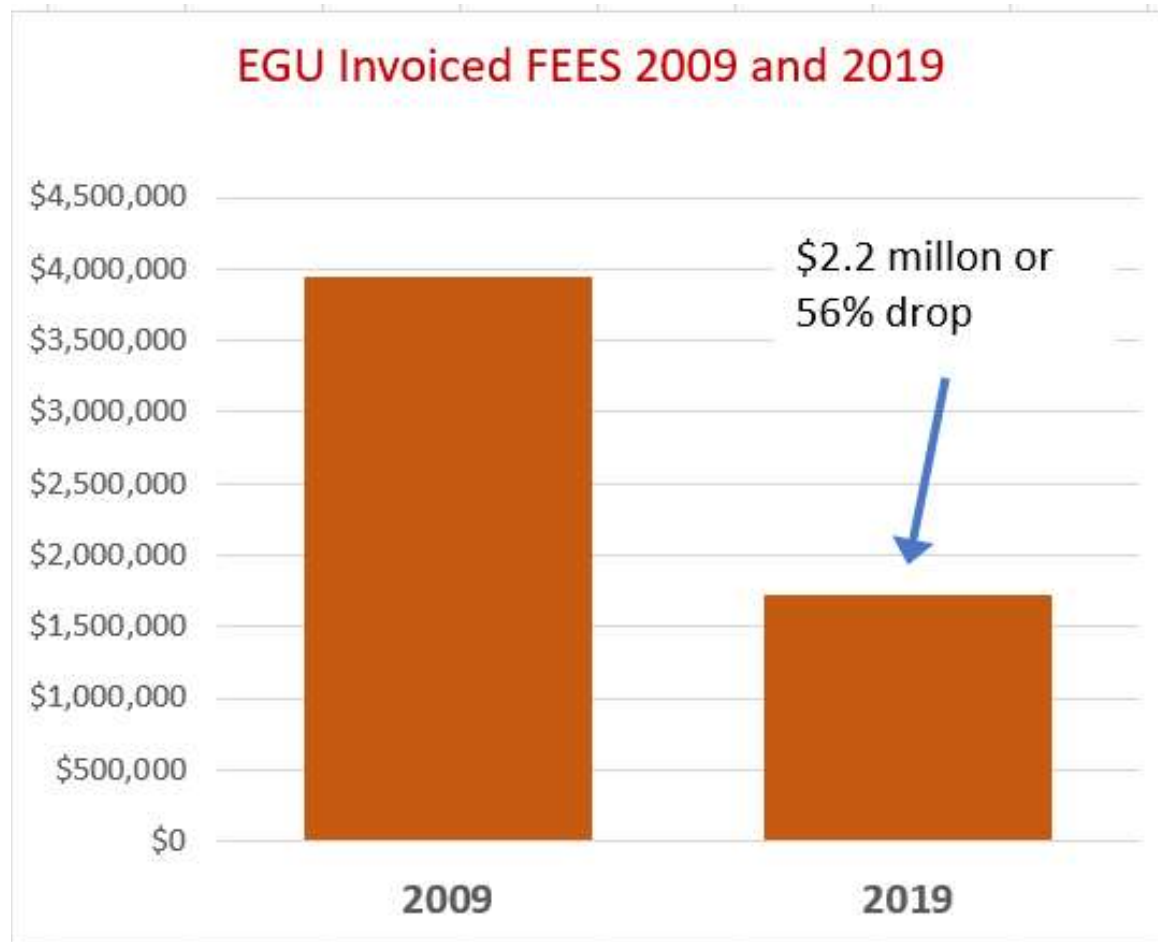


Total \$ "As Invoiced" 2009-2019 (Annual Fee -Top & Bottom Tiers)

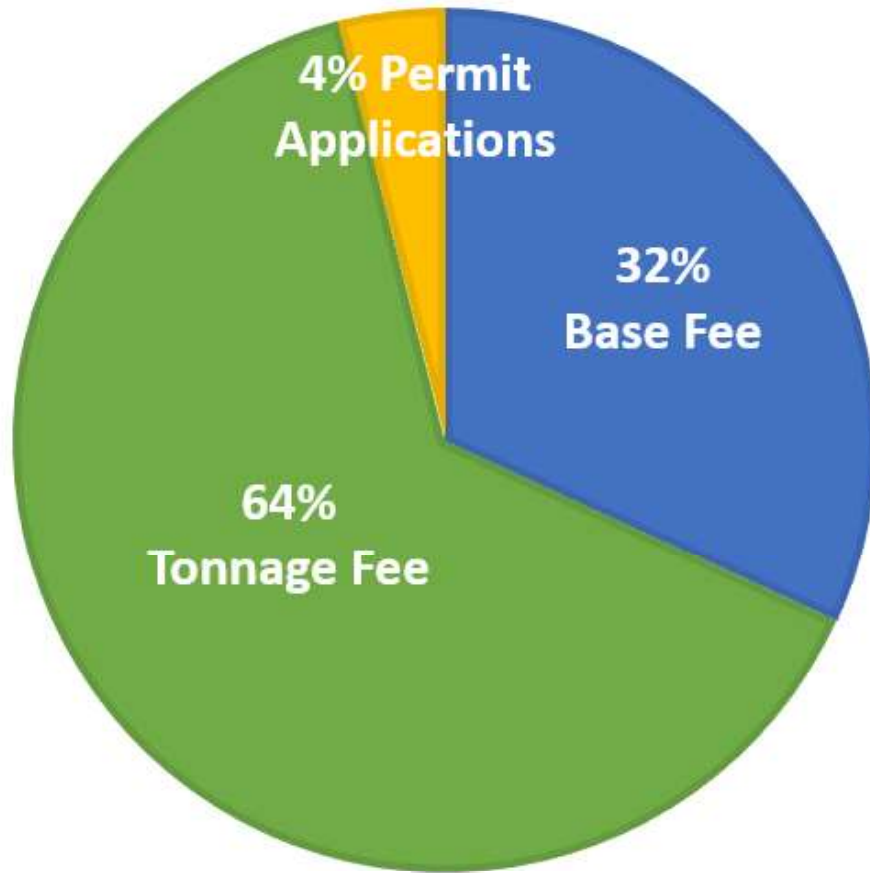


"Invoiced" Title V Annual FEES 2009-2019



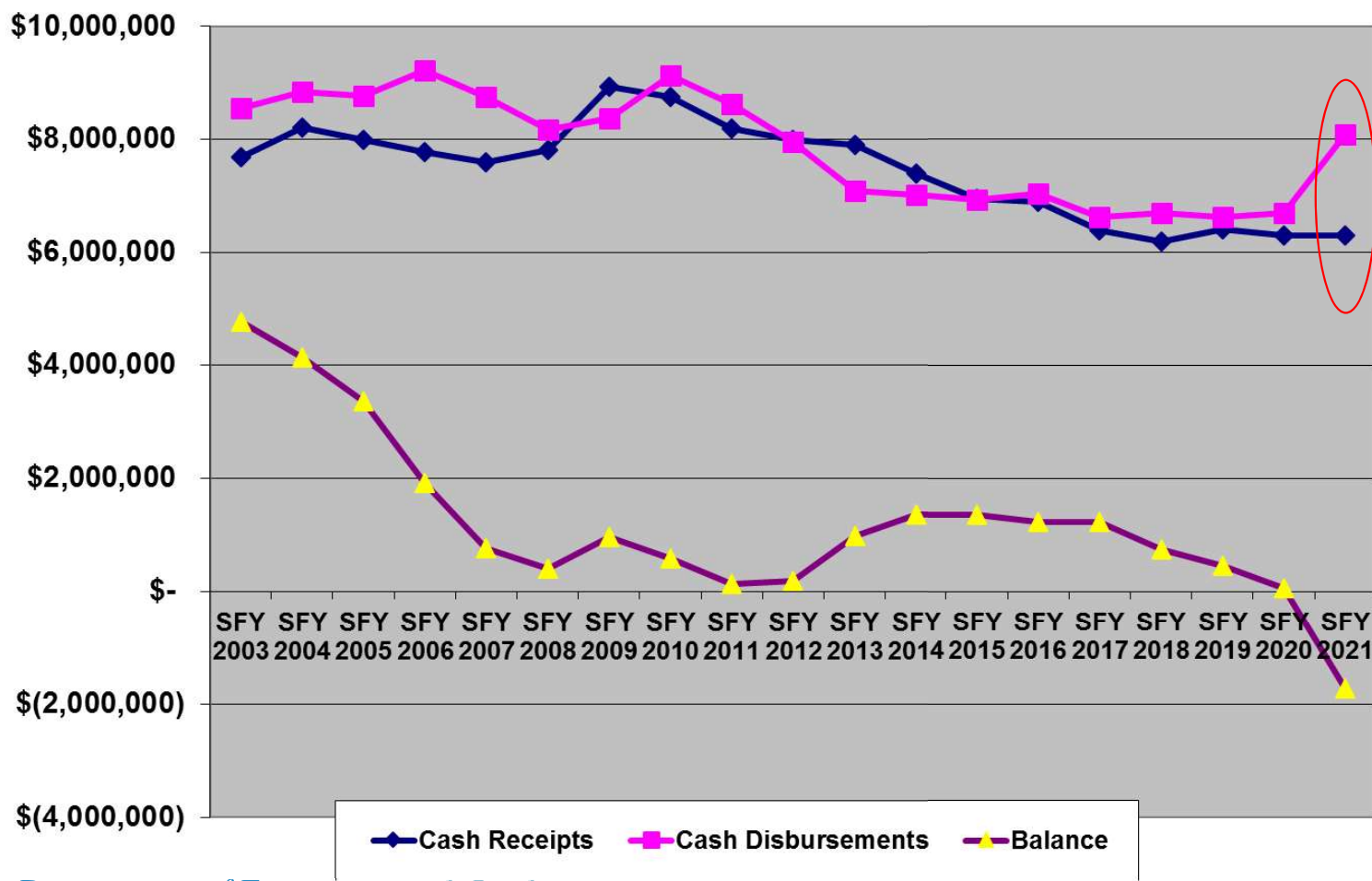


TITLE V FUNDING BY SOURCE (2019)



Title V Sources (2019)	279
FY 2018-19 TV Revenue	\$6,404,000
2009 % from tonnage	~75%

Title V Funds



Why the significant increase projected in SFY 20-21?

Internal review of time & activities revealed DAQ is under-charging staff time to the Title V account.

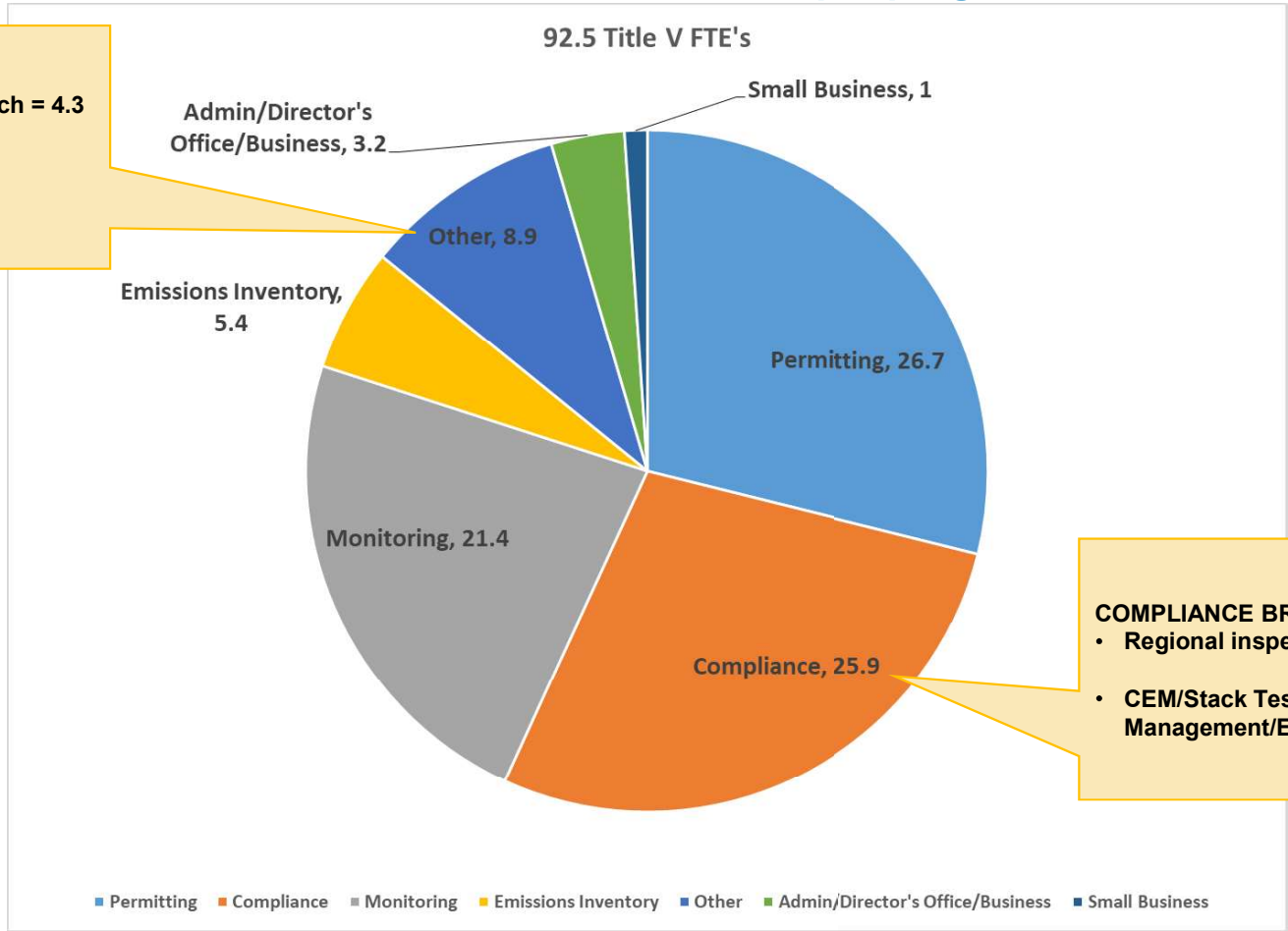


Title V Program Funding Gap

Current Title V Program Funding Requirements	
Current Staffing	\$7,852,710
Current Equipment/Operations	\$225,000
Total Annual TV Revenue Required	\$8,077,710
Receipts (FY 2018-2019)	\$6,404,395
Funding Gap	\$1,673,315

NC Title V FTE's per program area

OTHER BREAKDOWN
 Rules Development Branch = 4.3
 SIP Planning = 2.9
 Regional Other = 1.7



COMPLIANCE BREAKDOWN

- Regional inspectors = 16.5
- CEM/Stack Test/Data Management/Enforcement = 9.4



Salary Administration

Maintaining a strong workforce

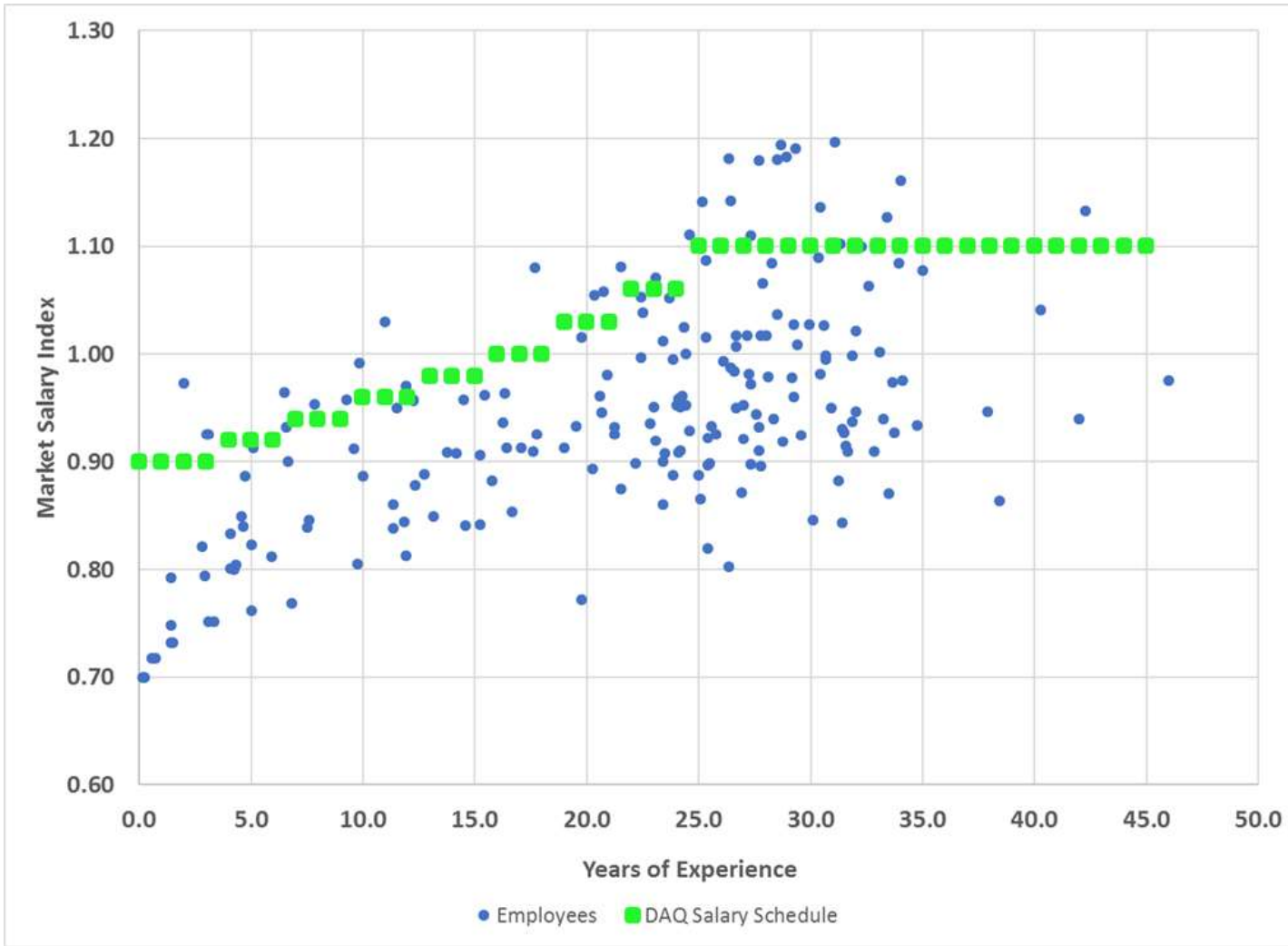
- **What can't get lost in the discussion...**
 - **DAQ's ability to create & maintain competitive salaries to retain talent**
 - **DAQ's ability to effectively recruit new employees**
 - **DAQ's silver tsunami**
 - **The "class of the 1990" Clean Air Act Amendments**



- **Establish a single, objective, and transparent salary schedule**
- **Reduces current or future inequities in comparable occupational groups.**
- **Removes pay bias against employees based on differences such as age, gender, race and ethnicity.**
- **Provides predictability for the employee and employer**

Years of relevant experience	Percent of market rate
0	0.90
1	0.90
2	0.90
3	0.90
4	0.92
5	0.92
6	0.92
7	0.94
8	0.94
9	0.94
10	0.96
11	0.96
12	0.96
13	0.98
14	0.98
15	0.98
16	1.00
17	1.00
18	1.00
19	1.03
20	1.03
21	1.03
22	1.06
23	1.06
24	1.06
25+	1.10





- To fully implement DAQ’s Salary Administration Policy, \$1,320,000 is needed to get folks to the “green line.”
- 44% or \$580,800 of that additional salary liability would be Title V \$\$



Title V Program Funding Gap

Projected Title V Program Funding Requirements	
Total Annual TV Revenue Required	\$8,077,710
Additional Salary Liability - DAQ Salary Administration Plan	\$580,800
Revised Total:	\$8,658,510
Receipts (FY 2018-2019)	\$6,404,395
Funding Gap	\$2,254,115

State Title V Fee Comparison

Southeastern Fee Comparison

All States/Locals use a variety of (1) "per ton" fees (actual vs allowable), (2) base annual fees (tiered, per category, single, minimum, or none), (3) application fees, (4) hourly review fees, and (5) several "a la carte" fee options for compliance, annual fees, or per application. ****NO TWO STATES APPEAR THE SAME****

	Per Ton Fee \$/ton	Base or Minimum Annual Fee?	Permit Application Fees?
FL	\$30.00	No	Limited
NC	\$34.25	Yes	Yes
GA	\$35.50*	Yes	Yes
MS	\$47.00	No	No
SC	\$51.06	Yes	Expedited only
WV	\$52.23	Yes	Yes
TN	\$53.50*	Yes	Greenfield only
AL	\$69.00	No	Yes
VA	\$85.43	Yes	Yes
KY	\$98.61	No	No

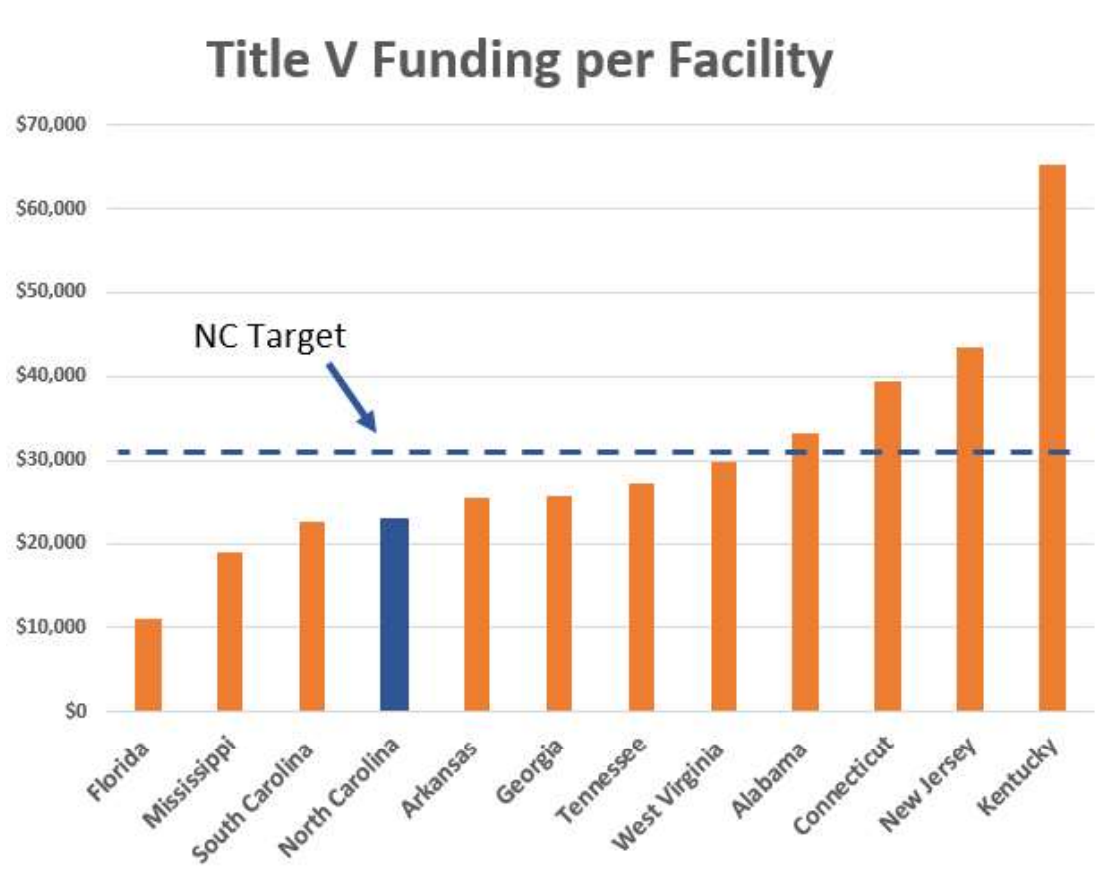
* Different for EGUs / may use allowable

Department of Environmental Quality



Current Title V Funding Level

How does NC compare?



***NOTE: Neighboring states are seeking changes currently:**

TN*: Proposing to go to ~\$33,000/facility, then up to ~\$38,000/facility

SC:** Proposing to go to ~\$30,100/facility

*Calculated from 10/9/19 TN DEC presentation

**Calculated from 9/13/19 SC DHEC presentation



Option Summary

MOST COMMON OPTIONS (all in use by NC):

- Annual base fee (currently \$7,423 in NC)
(or a “minimum fee” for some states; various tiers/options used)
- Annual “per ton” emissions fee (currently \$34.25/ton in NC)
- Permit application fees (several in use by NC)

There are other options!

Summary

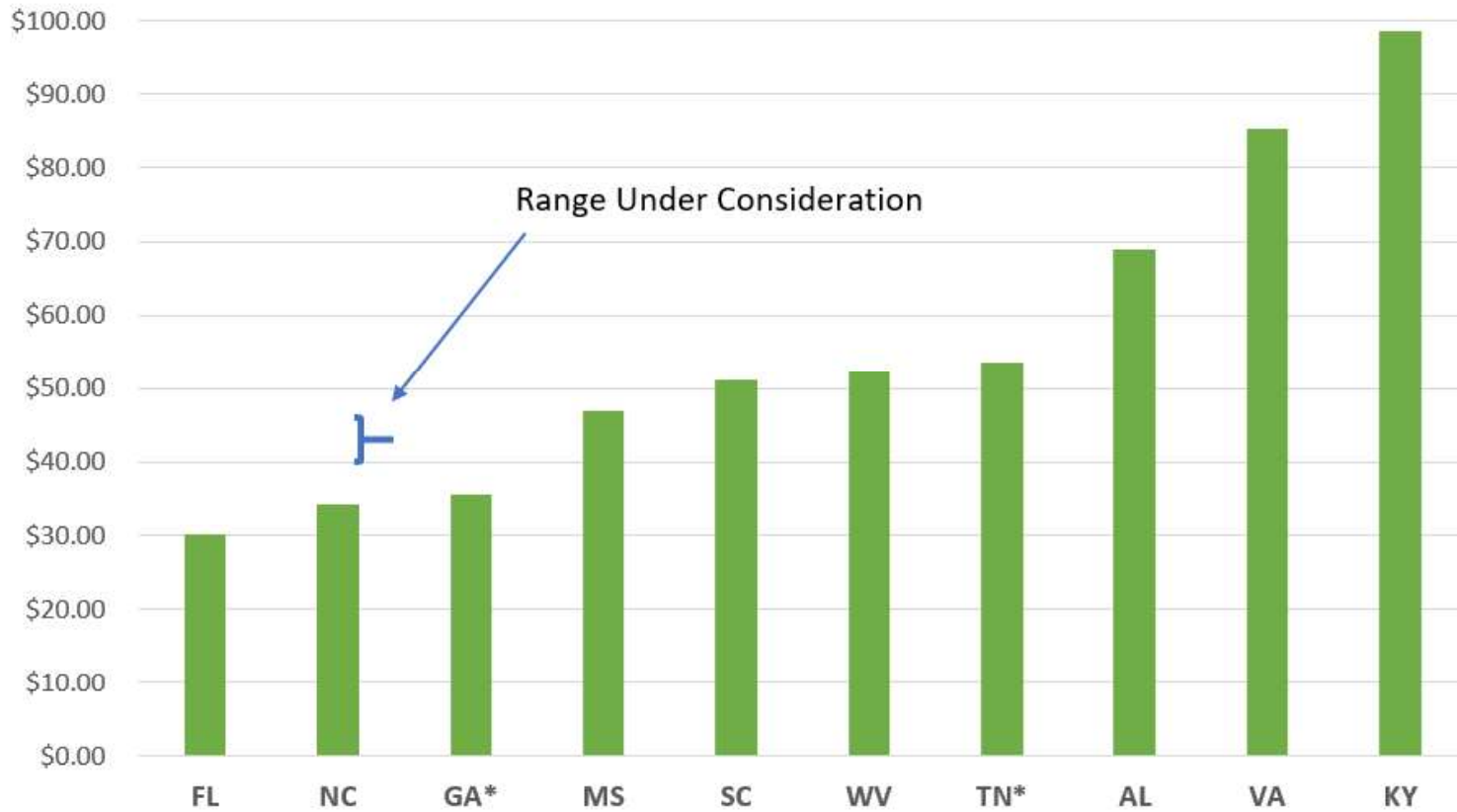
- **Charge per ton of Hazardous Air Pollutants (HAP)**
- **Add Complexity Fee [several options - per “category” (EGU, Steel Mills, etc.), number of Federal Programs, NSPS add-in]**
- **“A la carte” compliance fees (per ambient monitor, stack test observation, etc.)**
- **“A la carte” permitting fees (per modeling, public notice, NSPS applicability, MACT applicability, etc.)**
- **Hourly processing / review fees (not common in SE states)**
- **CPI adjustment (in use for NC)**
- **Other?**

Options For Consideration

One potential pathway for NC:

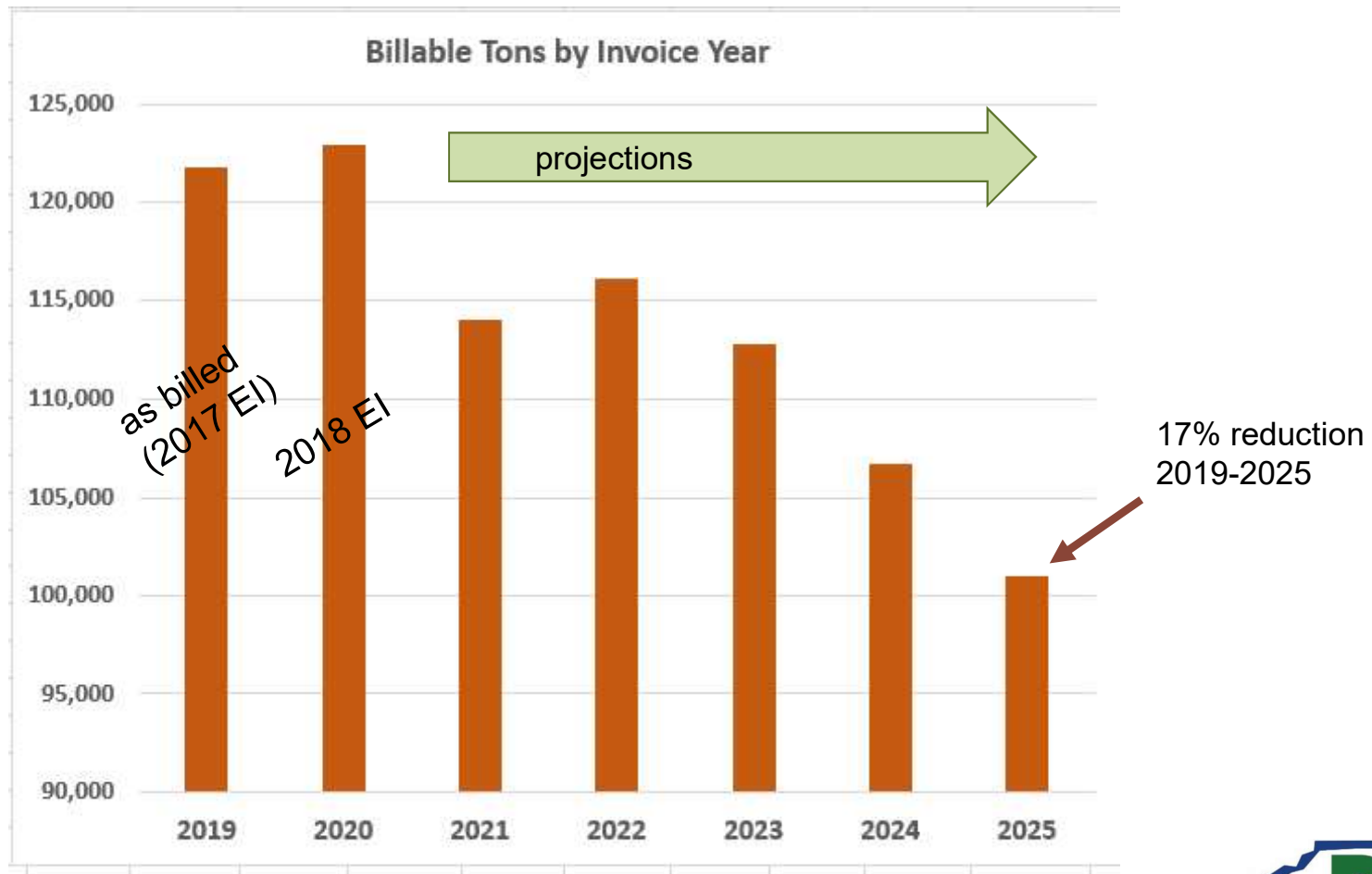
- Increase in “per ton” emissions fee
- Adjust base annual fee and address air permit complexity
 - add complexity “tiers” based on number of applicable Federal Programs (NSPS, MACT, GACT, 112r, PSD, NESHAP)
- Adjust some permit application fees:
 1. Increase minor modification fee from \$988
 2. Increase significant modification fee from \$988
(to better reflect work required and original rule)
 3. Eliminate ownership change fee?

\$/Ton Title V Emission Fee by State



* Different for EGUs / may use allowable

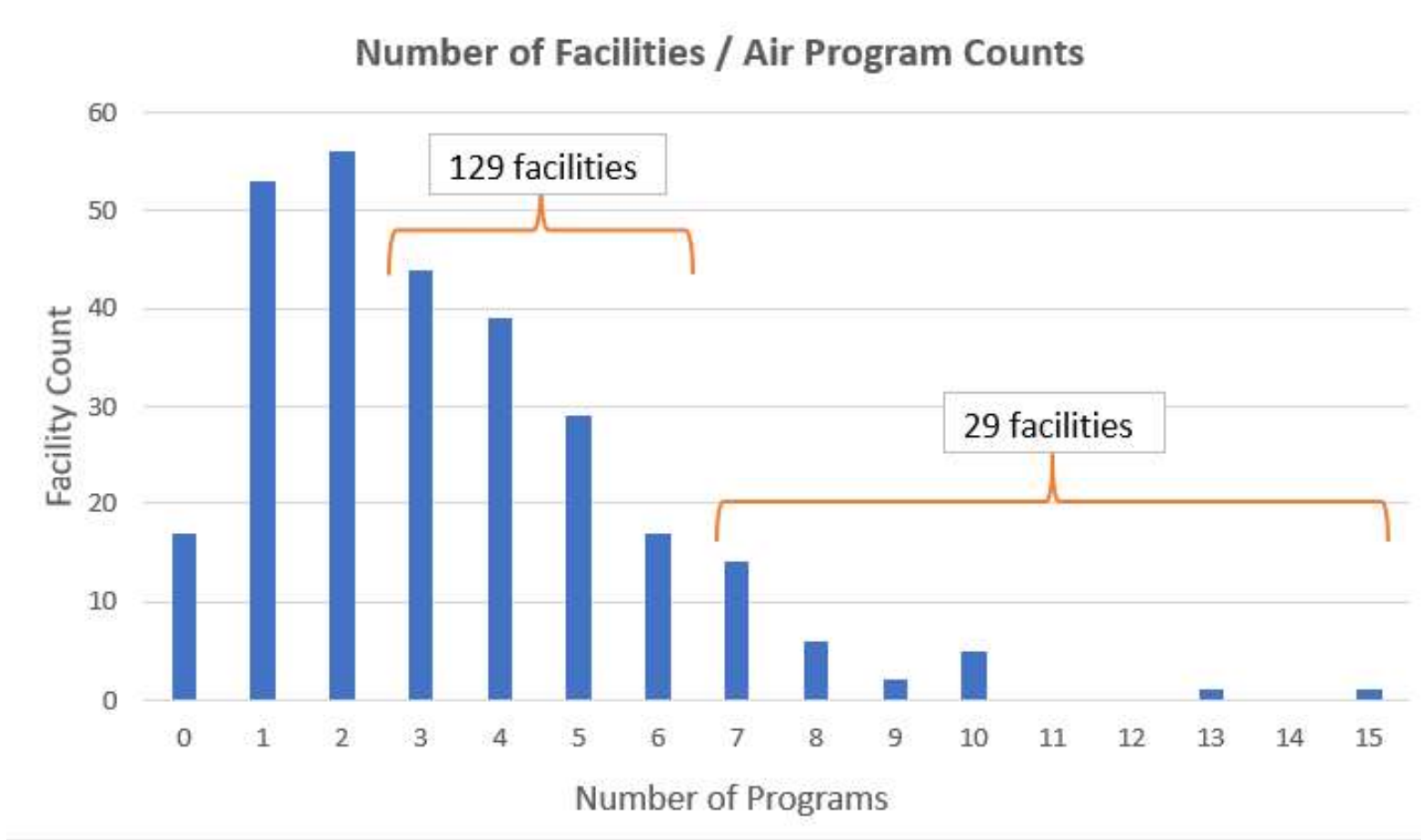




Complexity Issue - Example

	EXAMPLE #1	EXAMPLE #2
	Bakery	Chemical Plant
VOC Emissions	166 tons	17 tons
HAP Emissions	0.06 tons	9.87 tons
NSPS (New Source Performance Standards)	None	(4) NSPS Subparts Dc, Kb, VV, III
MACT (Maximum Achievable Control Technology)	None	(9) Subparts F, G, H, SS, U, OOO, DDDDD, ZZZZ, FFFF
112r (Accidental Release/Risk Management)	None	Yes - Formaldehyde and Ammonia
Air Pollution Control Devices	None	Yes - Packed bed scrubbers (water), Acid scrubbers, Boiler control, Fabric filtration, Catalytic oxidizers
Permit Applications last 10 years	4	15
2019 Annual Invoice	\$12,831	\$8,394

****Significantly less complex facility (Bakery) has 50% higher annual fee.***



* Zero Counts are for those facilities with only Title V & SIP Programs



Discussion of Complexity Fee



Current Permit Application Fees

PERMIT APPLICATION FEES
(FOR CALENDAR YEAR 2020)

Facility Category	New or Modification	New **	2Q .0300, Minor or Significant Modification	Ownership Change
Title V		\$10,177*	\$988*	\$60
Title V (PSD or NSR/NAA)	\$15,406*			\$60
Title V (PSD and NSR/NAA)	\$29,965*			\$60
Synthetic Minor	\$400			\$50
Small	\$50			\$25
General	50 % of the otherwise applicable fee			
General TV ACI ^a	10 % of the otherwise applicable fee			

^a Applies to new air curtain incinerators (ACI) only

State	Minor Mod Fee
FL	\$0
MS	\$0
SC	\$0
TN	\$0
KY	\$0
NC	\$988
WV	\$1,000+
AL	\$1,465+
GA	\$2,000
VA	\$4,400

TV Permit Fee Stakeholder Process

Stakeholder group was formed

Goals:

- DAQ present the data
 - Allow group to develop and explore various options/solutions
 - Make a recommendation that DAQ could take to the AQC/EMC for initiation of the rule-making process
 - Keep it simple
 - Do this as infrequently as possible
- DAQ offered a “blank sheet of paper” if desired... but ultimately provided a funding “model” for the group to use/adjust/edit as they explored various options.

TV Permit Fee Stakeholder Workgroup

- **Jennifer Adams, Corning**
- **Mark Hawes, Shurtape**
- **Daryl Grassick/Jeff Cook, ECS Limited**
- **Preston Howard, NCMA**
- **Fern Paterson, Parker-Poe**
- **Jamie Cole/Alfre Wimberly, NC Conservation Network**
- **Cassie Gavin, Sierra Club**
- **Khalid Alnahdy, Nutrien/PCS**
- **Mark McIntire, Duke Energy**

TV Permit Fee Stakeholder Process

4 meetings in May/June

- Active participation
- Lots of questions... follow up... data sharing...
- 5-yr projections (make sure we capture the decreasing emissions)

TV Permit Fee Stakeholder Process

Key Tenants of Stakeholder Group proposal:

- Rely less on tonnage fee moving forward
- Link fees more to workload (complexity)
- Phase in over 3 years the amount needed for DAQ's salary administration plan
- DAQ to conduct an Accountability Report in next 2 years to include a new workload analysis and staffing/funding needs
- DAQ to manage cash flow in order to address Legislative Increases

TV Permit Fee Stakeholder Process

Proposal

Projections with annual CPI & emissions adjustments

	<u>Current 2020</u>	<u>2021</u>
Annual Fee	\$ 7,423.00	\$ 10,000.00
Tonnage Fee	\$ 34.25	\$ 40.00
Minor Modification	\$ 988.00	\$ 3,000.00
Significant Modification	\$ 988.00	\$ 7,000.00
Complexity fee (3-6)	N/A	\$ 2,500.00
Complexity fee (>7)	N/A	\$ 7,500.00
Total Fees Received	\$ 6,517,948.18	\$ 8,419,543.90

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
	\$ 10,154.00	\$ 10,310.00	\$ 10,469.00	\$ 10,630.00
	\$ 40.62	\$ 41.24	\$ 41.88	\$ 42.52
	\$ 3,046.00	\$ 3,093.00	\$ 3,141.00	\$ 3,189.00
	\$ 7,108.00	\$ 7,217.00	\$ 7,328.00	\$ 7,441.00
	\$ 2,539.00	\$ 2,578.00	\$ 2,617.00	\$ 2,658.00
	\$ 7,616.00	\$ 7,733.00	\$ 7,852.00	\$ 7,973.00
	\$ 8,633,361.22	\$ 8,629,805.67	\$ 8,509,602.47	\$ 8,392,749.97

Schedule

- **July 2020 – Rule Concept to AQC**
- **July 2020 – Outreach to Regulated Community**
- **September 2020 – Rule Text and Fiscal Note to AQC**
- **September/November 2020 – Request to proceed to public hearing**

**No later than Jan/March/May 2021 – Final EMC Action
Rule effective ~Spring 2021**

Contacts

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Michael.Pjetraj@ncdenr.gov

Department of Environmental Quality



Request for Consultation with Joint Legislative Commission on Governmental Operations

Department of Environmental Quality, September 2020

Pursuant to G.S. 12-3.1, The Department of Environmental Quality is submitting a request for consultation with all members of the Joint Legislative Commission on Governmental Operations, the Commission Assistant, and the Fiscal Research Division of the General Assembly.

Current and Proposed Fees

Title V permit holders in North Carolina are subject to the fee requirements in 15A NCAC 02Q .0203, which currently specifies an annual permit fee and permit application fees. The annual permit fee consists of a base permit fee, which is a minimum fee charged to all Title V permit holders annually, a tonnage, or “per ton” fee, which is charged based on the amount of actual emissions reported from the facility, and a nonattainment area fee, if applicable. Title V permit application fees vary based on the type of application submitted, such that different fees are charged for greenfield facility applications, modifications of existing facilities, Prevention of Significant Deterioration (PSD) applications, and Nonattainment applications. The existing language of 15A NCAC 02Q .0203 also allows for annual inflation adjustments to the Title V fees, and the Division of Air Quality (DAQ) publishes a list of the inflation-adjusted fees each year.

In this rulemaking, the DAQ proposes to increase the annual base fee, annual tonnage fee, and permit modification fees. Additionally, the DAQ is proposing a new annual complexity fee, which will be based on the number of federal programs applicable to the facility. These programs will include the PSD program, Clean Air Act (CAA) Section 112r Risk Management Program, New Source Performance Standards under Title 40 of the Code of Federal Regulations (40 CFR) Part 60, and National Emission Standards for Hazardous Air Pollutants under 40 CFR Parts 61 and 63. For the new fees and fees with proposed changes, Table 1 below compares the fees currently listed in the Rule, the fees effective for Calendar Year (CY) 2020, and proposed new and increased fees, which will become effective in 2021. The table does not display the fees which will only be increased by the amount of the inflation adjustment already allowed by the Rule.

Table 1. Comparison of Title V Fees with Proposed Changes

Annual Fees			
Type of Fee	CY 2011 Fees (Current Rule)	CY 2020 Fees (Current Rule + CPI adjustments)	Proposed 2021 Fee
Tonnage Factor (\$/ton)	\$30.00	\$34.25	\$40.00
Basic Permit Fee	\$6,500	\$7,423	\$10,000
General TV ACI ^a	N/A ^b	10% of otherwise applicable fee	10% of otherwise applicable fee
Added medium complex facility fee (3-6 federal programs)	None	None	\$2,500
Added highly complex facility fee (≥7 federal programs)	None	None	\$7,500
Application Fees			
Type of Fee	CY 1994 Fees (Current Rule)	CY 2020 Fees (Current Rule + CPI adjustments)	Proposed 2021 Fee
Minor Modification	\$700	\$988	\$3,000
Significant Modification 1-step	\$7,200	\$988	\$7,000

Significant Modification 2-step	\$7,200	\$1,976 ^c	\$7,000 ^d
General Title V ACI ^a	N/A ^b	10% of otherwise applicable fee	10% of otherwise applicable fee

^a Applies to new Air Curtain Incinerators (ACIs) only.

^b The current rule language in 15A NCAC 02Q .0203 does not include a fee for General Title V ACI permits. Session Law 2018-114 authorized a fee for these sources equal to 10% of the otherwise applicable fee, which will be incorporated into the rule language during this rulemaking.

^c For CY 2020, a 2-step permit application under 15A NCAC 02Q .0501(b)(2) or (c)(2) requires a \$988 fee at each step, for a total of \$1976.

^d The proposed fee of \$7,000 will cover both steps of a 2-step permit application under 15A NCAC 02Q .0501(b)(2) or (c)(2) and will be charged with the first application.

Background and Authority

On August 31, 2001, the United States Environmental Protection Agency (EPA) granted the North Carolina Division of Air Quality (DAQ) full approval of its Title V operating permit program pursuant to the federal implementing regulations in 40 CFR Part 70 (66 FR 45941; effective October 1, 2001). Clean Air Act Section 502(b)(3) requires each air agency to collect fees, "sufficient to cover all reasonable (direct and indirect) costs required to develop and administer" its Title V program. North Carolina General Statute 143.215.3 authorizes the Environmental Management Commission (EMC) to "...adopt fee schedules and collect fees..." for processing and administering permits.

The last change to the Title V fees was on March 1, 2008 and allowed for annual tonnage fee increases through 2011. Since that action, the fees have only been increased by the inflation adjustments allowed by the Rule, except for the addition of fees for Title V ACI General Permits, which were established under Session Law 2018-114. Appendix B to the fiscal note included as Attachment A contains PowerPoint slides that were presented to the Title V regulated community, July 2020 Air Quality Committee and July 2020 EMC regarding the proposed fee revisions. The graphs on slides 9 and 12 show that a substantial portion of the Title V revenues received by the DAQ are from the annual permit tonnage fee, which is charged based on the actual emissions reported from each facility. As shown in the graphs on slides 10 and 12, the DAQ billed 57% fewer tons in 2019 compared to 2008 and invoiced 38% less in tonnage fees in 2019 compared to 2009. The decline in emissions reported from Title V facilities and resulting significant decrease in tonnage fee revenues has resulted in a projected funding shortfall for Fiscal Year 2020-2021. The estimated Title V funding required for current staff salaries, equipment, and the DAQ's salary administration plan is outlined in Table 2 below:

Table 2. Title V Program Funding Requirements

Current Staffing	\$7,852,710
Current Equipment/Operations	\$225,000
Total Annual TV Revenue Required	\$8,077,710
Receipts (FY 2019-2020)	\$6,308,702
Funding Gap	\$1,769,008
DAQ Salary Administration Plan	\$580,800
Revised Total:	\$8,658,510
Revised Funding Gap	\$2,349,808

Failure to address the Title V funding shortfall has the potential for short- and long-term consequences for the DAQ, regulated entities and citizens of North Carolina. Insufficient funds to cover the cost of the Title V program could lead to inadequate revenues to operate many aspects of the program. Incomplete implementation of the Title V program could result in the eventual partial or full withdrawal of EPA-approval of North Carolina's Title V program pursuant to 40 CFR 70.10(b) and (c). In order to resolve the projected funding shortfall and maintain the level of service currently provided by the DAQ to the regulated community

and citizens of North Carolina, the DAQ is proposing to revise the Title V fees in 15A NCAC 02Q .0203 as described above. On August 18, 2020, the North Carolina Office of State Budget and Management approved the Fiscal Note included as Attachment A for this rulemaking.

**NORTH CAROLINA GENERAL ASSEMBLY**

NORTH CAROLINA SENATE

December 8, 2020

Secretary Michael Regan
N.C. Department of Environmental Quality
217 W Jones Street
Raleigh, NC 27603

VIA ELECTRONIC DELIVERY

Dear Secretary Regan,

We write with concern over the Dept. of Air Quality's (DAQ) proposed plan to increase Title V air quality permit fees and use some of the proceeds to fund departmental salary increases. We have three main reasons for our concern.

First, we're in the middle a recession because of a pandemic, with hundreds of thousands of North Carolinians now under- or unemployed and unsure of their financial future. Given the state's economic situation, it seems a bad time to hike fees on private companies to fund public sector salary increases.

Second, part of the reason for North Carolina's boom decade was the low cost of doing business. The legislature intentionally curbed job-killing policies like high taxes and fees to create a more business-friendly environment. That our state consistently ranks near the top of business indexes and has experienced significant growth in the past decade is evidence that those policies work. Hiking fees to fund public sector salary increases is not in line with that philosophy.

Third, our understanding is that the number of Title V facilities and emissions in North Carolina has substantially decreased. If the number of regulated facilities has shrunk, why do we need to increase funding for the program and raise salaries?

For these reasons, we urge you to reconsider the timing and size of the DAQ's proposed fee increases. With government-imposed policies requiring families to rethink their own budgets, now is not the time to expand government's budget.

Sincerely,

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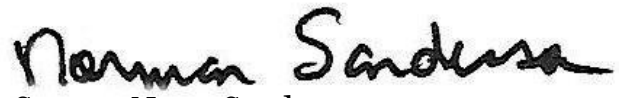
Senator Harry Brown

A handwritten signature in blue ink that reads "Kathy Harrington".

Senator Kathy Harrington

A handwritten signature in black ink that reads "Brent". The signature is stylized with a large, sweeping initial 'B' and a long, horizontal stroke extending to the right.

Senator Brent Jackson

A handwritten signature in black ink that reads "Norman Sanderson". The signature is written in a cursive style with large, rounded letters.

Senator Norm Sanderson

A handwritten signature in blue ink that reads "Chuck Edwards". The signature is written in a cursive style with large, rounded letters.

Senator Chuck Edwards

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Chapter VII

The following documentation of filing and notification is incorporated as part of this hearing record and is maintained on file:

1. ENR 101 Internal Approval Form.
2. Submission for Notice Form and material submitted to the Office of Administrative Hearings.
3. Memorandum transmitting hearing notice and proposal to regional offices for public inspection.
4. Memorandum transmitting hearing notice and proposal to local programs.
5. Submission of Filing Forms and material filed with Office of Administrative Hearings.
6. Executive Order No. 70 Certification Form
7. Letter notifying EPA of hearing.
8. Letter transmitting hearing record to EPA.

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