



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

**Department of Environmental
Conservation**

DIVISION OF ADMINISTRATIVE SERVICES

410 Willoughby Ste 303
Juneau, Alaska 99801
Main: 907-465-5010
Fax: 907-465-5097
www.dec.alaska.gov

January 26, 2016

The Honorable Pete Kelly
Chair, Senate Finance Subcommittee
State Capitol Room 516
Juneau AK, 99801

Dear Senator Kelly:

Thank you for the opportunity to provide you with a brief overview of the Department of Environmental Conservation's FY2017 operating budget request on January 22nd. Several questions arose during this meeting that required additional information, and I have provided a response to these questions below. If you would like additional information or have any additional questions, I am always happy to assist you.

Do you know, of the positions eliminated last year, how many were filled positions? (Sen. Kelly)

Of the 25 budgeted positions deleted as part of the FY2016 budget process, when identified for elimination, ten were filled. Ultimately, only three employees were laid off. The rest either retired or found other employment outside of the Department before their job went away, or moved into other positions within the Department that subsequently became vacant. The positions that were not filled had been held vacant because of the difficult fiscal climate. The Department lost real capacity with these positions and, if the budget permitted, these positions would have been filled this year.

What is the cost of an air quality permit? (Sen. Kelly)

Please see the attached description of the types of air quality permits and costs, and the pages from the annual fee report relating to Air Quality fees.

What is the piece of the UGF pie represented by programs that are not federally mandated? (Sen. Kelly)

The Department tries to make the most efficient use of resources, which makes it difficult to peel this out from other spending. For example, in the Food Safety and Sanitation program, Environmental Health Officers may take advantage of a trip to inspect a seafood processor, which is federally required for interstate commerce, and while they are there, conduct inspections of retail food and non-food facilities in the area that are not federally required.

Is it true that sewage lagoons are just dumped a couple times a year and are not really treated? Is there a vision for the future of sewage in rural Alaska? Is the environmental threat from sewage lagoons understated because we can't do anything about it? (Sen. Kelly)

The Department does not believe that properly designed and operated sewage lagoons represent an environmental threat. The performance and condition of sewage lagoons throughout Alaska are monitored by the Department, and concerns are documented. Problems associated with the performance of lagoons are addressed based on severity and available resources.

Some sewage lagoons are designed not to discharge at all ("total retention lagoons"), some are designed to discharge seasonally (generally in the spring at break up and in the fall prior to freeze up),

and others are designed to discharge on a continuous basis. Both continuous and seasonally discharged lagoons are designed to provide adequate biological treatment of domestic sewage prior to discharge in accordance with State regulatory minimum treatment standards, which largely reflect federal minimum treatment standards. The discharges are regulated by a permit, and require monitoring to ensure human health and water quality are being protected.

Going forward, the Department generally believe that sewage treatment lagoons are the best fit for most villages. Lagoons are capable of providing treatment that meets or exceeds regulatory requirements, and they do so at operating costs much lower than mechanical treatment plants. In places where existing lagoons are providing adequate treatment, capital improvement funding to bring lagoon discharges into regulatory compliance.

There are two sewage lagoons in Seward, that's a pretty big community. At what point is a lagoon no longer appropriate for a city of that size? Is there a point where DEC would say you need a more sophisticated treatment system? (Sen. Giessel)

The sewage lagoons in Seward are capable of meeting all applicable State and federal treatment requirements, and are an acceptable means of disposal and treatment of sewage prior to discharge.

As a practice, and consistent with the Clean Water Act, the Department does not prescribe the type of treatment facility that must be used to meet permit requirements. Rather, treatment objectives in a facility's wastewater treatment permit are established. The owner of a facility must determine the most appropriate and reasonable treatment technologies and pollution control practices to meet those treatment objectives. If discharge monitoring reveals human health and/or water quality concerns, the Department will communicate with the facility owner that treatment requirements are not being met and adjustments must be made to bring the facility back into permit compliance.

Sincerely,



Tom Cherian
Director, Division of Administrative Services

Attachments:

Types of Air Permitting
FY2016 DEC Fee Report Air Quality

Cc: Joseph Byrnes, Staff to Senator Kelly
Alexei Painter, Legislative Finance Division
Samantha Gatton, Office of Management and Budget

**Department of Environmental Conservation
Types of Air Permits**

Title I: ALASKA AIR QUALITY TITLE I MINOR / MAJOR PERMITS

What is the primary function of a Title I Minor permit?

EPA and Alaska have adopted several ambient standards to protect sensitive populations and public welfare under the federal Clean Air Act and Alaska Environmental Statutory authorities listed in AS 46.03 and 46.14 respectively. In addition, Alaska adopted emission standards to protect ambient air quality, and EPA has adopted these emission standards as an element of Alaska's State Implementation Plan required under the Federal Clean Air Act to protect ambient air quality.

The permitting process was designed to ensure new and modified development will not interfere with ambient air quality standards. A permit applicant must demonstrate that a project does not cause or contribute to a violation of ambient air quality standards, and that activities comply with State emission standards before the Department can complete review and approve the applicant's permit.

What is the primary function of a Title I Major permit?

Alaska adopted elements of the federal Clean Air Act's Title I major permitting program to further protect Alaska's air quality. In addition to the Minor Permit program, the Major Permit program is designed to prevent degradation of ambient air quality (PSD) and to offset anticipated impacts for new and modified projects in air sheds that do not presently comply with ambient air quality standards (non-attainment areas) (NNSR). For attainment areas, EPA and Alaska have additional incremental ambient thresholds established to protect ambient air quality. Through these incremental thresholds, the State Implementation Plan prevents significant degradation of existing ambient air quality.

The PSD Major Permit applicant must also demonstrate that, in addition to meeting the Minor Permit requirements, the new or modified project does not cause or contribute to a violation of the PSD increments, that emission units use best available control technology, and that the project does not adversely impact air quality related values before the Department can issue the applicant's permit.

The NNSR Major Permit applicant must demonstrate that, in addition to meeting the Minor Permit requirements, the new or modified project equipment meets the lowest achievable emission rates, and that the applicant has obtained emission offsets from other activities within the impaired air shed before the Department can issue the applicant's permit.

What activities require a Title I permit?

New and modified stationary emission units categorized in regulation by the type of source and by its potential emissions require a minor permit. Any new or modified source of air pollutant emissions should be reviewed against the regulatory thresholds. Typical emission units requiring permits include incinerators, coal preparation plants, boilers, stationary engines, or turbines.

Minor permit actions are also used extensively to change the conditions of existing permits, such as to remove an emission unit which has been decommissioned, or to establish limits on new equipment which avoids classification under a more rigorous permit. For example, a unit used intermittently may require a major source permit based on its potential emissions, but those potential emissions can be reduced by legally limiting the operation of the unit through a minor permit.

What does a Title I permit cost?

The cost of a Title I Minor or Major permit varies widely and is therefore charged the time and expenses associated with the permit work rather than a fixed fee, prescribed in 18 AAC 50.400(h).

There are many issues that factor into the resources necessary to issue a Title I Minor or Major permit including:

- Completeness of the permit application
- Size and type of facility for which a permit is being sought
- Availability/inclusion of representative meteorological data for use in modeling
- Inclusion of modeling that meets the guidelines on air quality modeling
- Volume of public comment should the project be controversial
- Disputes with applicants or their consultants over required limits
- Level of emission controls
- Change in project scope and size
- Change in federal standards during the permitting process

Title V: CLEAN AIR ACT TITLE V OPERATING PERMIT

What is the primary function of a Title V permit?

The permit compiles all currently applicable Clean Air Act and Air Quality Control requirements into a single enforceable document for a given source classified as requiring an operating permit. A permit for an area source that requires a permit only because it is subject to one or more Federal Standards will only include the applicable federal standard that triggers an operating permit.

What activities require a Title V operating permit?

Any stationary source which has the potential to emit 100 tons per year (TPY) or more of a regulated air pollutant, or 10 TPY of an individual hazardous air pollutant, or 25 TPY of all hazardous air pollutants combined, or which contains an emission unit subject to a Federal New Source Performance Standard (NSPS) or National Emission Standard for Hazardous Air Pollutants (NESHAP a.k.a. Maximum Achievable Control Technology or MACT standards).

Because potential to emit is calculated assuming all emission units operate at their maximum rate 24/7, some sources can establish a legal limit to reduce their potential to emit to avoid Title V permitting. For example, some Air Force LRR Stations limit the amount of fuel they may burn in a year to keep their potential to emit less than 100 TPY.

What does a Title V operating permit cost?

The cost of an initial Title V operating permit varies widely, for many of the same reasons described in the Title I section above, and is therefore charged the time and expenses associated with the permit work rather than a fixed fee, prescribed in 18 AAC 50.400(h). However, once the initial Title V operating permit is issued, the annual renewal cost of these permits are consistent and therefore allows the Department to issue fixed fees in regulation for permitted sources broken out into a number of categories based on the potential to emit. Title V operating permit renewal costs are laid out in 18 AAC 50.400(a).

FY2015 Annual Fee Report per AS 37.10.050(c)

| Name of Component/Program | Purpose of Fee | Authorizing Statute or Regulation | FY2015 Fee | FY2016 Fee | Proposed FY2017 Fee | Amount of FY2017 Budget Increase due to Fee Change (If no increase, enter "N/A") | Explain changes made to regulations and any proposed changes to statutes. If fee revenue is considered non-UGF, please note its designation (i.e., GF/PR, etc.) |
|----------------------------------|---|--|-------------------|-------------------|----------------------------|---|--|
| Air Quality | <u>Permit administration fees</u> | 18 AAC 50.400; AS 44.46.025 | | | | | |
| Air Quality | Renewal of permit for an oil-and-gas source with the potential to emit more than 250 tons per year of any one pollutant | | | | | | |
| Air Quality | Annual Permit Fee | 18 AAC 50.400 (a) (1) (A) | \$2,675.00 | \$4,261.00 | \$4,261.00 | N/A | 18 AAC 50.400 updated Effective 9/26/15; Clean Air Protection Fund |
| Air Quality | Annual Compliance Review Fee | 18 AAC 50.400 (a) (1) (B) | \$1,895.00 | \$4,436.00 | \$4,436.00 | N/A | 18 AAC 50.400 updated Effective 9/26/15; Clean Air Protection Fund |
| Air Quality | Renewal of a permit for a large power plant with the potential to emit more than 250 tons per year of any one pollutant | | | | | | |
| Air Quality | Annual Permit Fee | 18 AAC 50.400 (a) (2) (A) in FY2015 | \$3,080.00 | N/A | \$0.00 | | 18 AAC 50.400 updated Effective 9/26/15; Clean Air Protection Fund Regulation updated to modify definition of fee, now reflected in 18 AAC 50.400(a)(2)(A) |
| Air Quality | Annual Compliance Review Fee | 18 AAC 50.400 (a) (2) (B) in FY2015 | \$1,735.00 | N/A | \$0.00 | | 18 AAC 50.400 updated Effective 9/26/15; Clean Air Protection Fund Regulation updated to modify definition of fee, now reflected in 18 AAC 50.400(a)(2)(A) |
| Air Quality | Renewal of a permit for a large power plant, other than one described in (3) of this section, with the potential to emit more than 250 tons per year of any one pollutant | | | | | | |

FY2015 Annual Fee Report per AS 37.10.050(c)

| Name of Component/Program | Purpose of Fee | Authorizing Statute or Regulation | FY2015 Fee | FY2016 Fee | Proposed FY2017 Fee | Amount of FY2017 Budget Increase due to Fee Change (If no increase, enter "N/A") | Explain changes made to regulations and any proposed changes to statutes. If fee revenue is considered non-UGF, please note its designation (i.e., GF/PR, etc.) |
|----------------------------------|---|--|-------------------|-------------------|----------------------------|---|---|
| Air Quality | Annual Permit Fee | 18 AAC 50.400 (a) (2) (A) | N/A | \$2,527.00 | \$2,527.00 | N/A | 18 AAC 50.400 updated Effective 9/26/15; Clean Air Protection Fund Regulation updated to modify definition of fee, now reflected in 18 AAC 50.400(a)(2)(A) |
| Air Quality | Annual Compliance Review Fee | 18 AAC 50.400 (a) (2) (B) | N/A | \$3,372.00 | \$3,372.00 | N/A | 18 AAC 50.400 updated Effective 9/26/15; Clean Air Protection Fund Regulation updated to modify definition of fee, now reflected in 18 AAC 50.400(a)(2)(A) |
| Air Quality | Renewal of a permit for a standard coal-fired plant with the potential to emit more than 250 tons per year of any one pollutant | | | | | | |
| Air Quality | Annual Permit Fee | 18 AAC 50.400 (a) (3) (A) | N/A | \$6,871.00 | \$6,871.00 | N/A | 18 AAC 50.400 updated Effective 9/26/15; Clean Air Protection Fund Permit type separated into own fee in FY2016 from former FY2015 regulation reference 18 AAC 50.400(a)(2)(A) |
| Air Quality | Annual Compliance Review Fee | 18 AAC 50.400 (a) (3) (B) | N/A | \$6,767.00 | \$6,767.00 | N/A | 18 AAC 50.400 updated Effective 9/26/15; Clean Air Protection Fund Permit type separated into own fee in FY2016 from former FY2015 regulation reference 18 AAC 50.400(a)(2)(B) |
| Air Quality | Renewal of a permit for a small power plant with the potential to emit more than 250 tons per year of any one pollutant | | | | | | |

FY2015 Annual Fee Report per AS 37.10.050(c)

| Name of Component/Program | Purpose of Fee | Authorizing Statute or Regulation | FY2015 Fee | FY2016 Fee | Proposed FY2017 Fee | Amount of FY2017 Budget Increase due to Fee Change (If no increase, enter "N/A") | Explain changes made to regulations and any proposed changes to statutes. If fee revenue is considered non-UGF, please note its designation (i.e., GF/PR, etc.) |
|----------------------------------|---|--|-------------------|-------------------|----------------------------|---|--|
| Air Quality | Annual Permit Fee | 18 AAC 50.400 (a) (4) (A) | \$1,390.00 | \$1,720.00 | \$1,720.00 | N/A | 18 AAC 50.400 updated Effective 9/26/15; Clean Air Protection Fund FY2015 regulation reference 18 AAC 50.400(a)(3)(A) |
| Air Quality | Annual Compliance Review Fee | 18 AAC 50.400 (a) (4) (B) | \$1,485.00 | \$2,491.00 | \$2,491.00 | N/A | 18 AAC 50.400 updated Effective 9/26/15; Clean Air Protection Fund FY2015 regulation reference 18 AAC 50.400(a)(3)(B) |
| Air Quality | Renewal of a permit for a Title V source, with the potential to emit more than 100 and less than 250 tons per year of any one pollutant, and that is an oil-and-gas source or thermal soil remediation unit | | | | | | |
| Air Quality | Annual Permit Fee | 18 AAC 50.400 (a) (5) (A) | \$2,045.00 | \$1,303.00 | \$1,303.00 | N/A | 18 AAC 50.400 updated Effective 9/26/15; Clean Air Protection Fund FY2015 regulation reference 18 AAC 50.400(a)(4)(A) |
| Air Quality | Annual Compliance Review Fee | 18 AAC 50.400 (a) (5) (B) | \$1,350.00 | \$3,341.00 | \$3,341.00 | N/A | 18 AAC 50.400 updated Effective 9/26/15; Clean Air Protection Fund FY2015 regulation reference 18 AAC 50.400(a)(4)(B) |
| Air Quality | Renewal of a permit for a small power plant, with the potential to emit more than 100 and less than 250 tons per year of any one pollutant | | | | | | |

FY2015 Annual Fee Report per AS 37.10.050(c)

| Name of Component/Program | Purpose of Fee | Authorizing Statute or Regulation | FY2015 Fee | FY2016 Fee | Proposed FY2017 Fee | Amount of FY2017 Budget Increase due to Fee Change (If no increase, enter "N/A") | Explain changes made to regulations and any proposed changes to statutes. If fee revenue is considered non-UGF, please note its designation (i.e., GF/PR, etc.) |
|----------------------------------|---|--|-------------------|-------------------|----------------------------|---|--|
| Air Quality | Annual Permit Fee | 18 AAC 50.400 (a) (6) (A) | \$1,565.00 | \$2,067.00 | \$2,067.00 | N/A | 18 AAC 50.400 updated Effective 9/26/15; Clean Air Protection Fund FY2015 regulation reference 18 AAC 50.400(a)(5)(A) |
| Air Quality | Annual Compliance Review Fee | 18 AAC 50.400 (a) (6) (B) | \$1,115.00 | \$2,989.00 | \$2,989.00 | N/A | 18 AAC 50.400 updated Effective 9/26/15; Clean Air Protection Fund FY2015 regulation reference 18 AAC 50.400(a)(5)(B) |
| Air Quality | For a Title V source that is operating under the Department's general operating permit for diesel engines | | | | | | |
| Air Quality | Annual Compliance Review Fee | 18 AAC 50.400 (a) (7) | \$730.00 | \$1,554.00 | \$1,554.00 | N/A | 18 AAC 50.400 updated Effective 9/26/15; Clean Air Protection Fund FY2015 regulation reference 18 AAC 50.400(a)(6) |
| Air Quality | For a Title V source that is operating under the Department's general operating permit for asphalt plants | | | | | | |
| Air Quality | Annual Compliance Review Fee | 18 AAC 50.400 (a) (8) | \$325.00 | \$2,091.00 | \$2,091.00 | N/A | 18 AAC 50.400 updated Effective 9/26/15; Clean Air Protection Fund Permit type separated into own fee in FY2016 from former FY2015 regulation reference 18 AAC 50.400(e) |

FY2015 Annual Fee Report per AS 37.10.050(c)

| Name of Component/Program | Purpose of Fee | Authorizing Statute or Regulation | FY2015 Fee | FY2016 Fee | Proposed FY2017 Fee | Amount of FY2017 Budget Increase due to Fee Change (If no increase, enter "N/A") | Explain changes made to regulations and any proposed changes to statutes. If fee revenue is considered non-UGF, please note its designation (i.e., GF/PR, etc.) |
|----------------------------------|---|--|-----------------------------|-----------------------------|-----------------------------|---|--|
| Air Quality | Renewal of a permit for a Title V source, other than one described in (1)-(8) of this subsection, and that has the potential to emit less than 250 tons per year of any one pollutant | | | | | | |
| Air Quality | Annual Permit Fee | 18 AAC 50.400 (a) (9) (A) | \$2,090.00 | \$844.00 | \$844.00 | N/A | 18 AAC 50.400 updated Effective 9/26/15; Clean Air Protection Fund FY2015 regulation reference 18 AAC 50.400(a)(7)(A) |
| Air Quality | Annual Compliance Review Fee | 18 AAC 50.400 (a) (9) (B) | \$1,345.00 | \$3,159.00 | \$3,159.00 | N/A | 18 AAC 50.400 updated Effective 9/26/15; Clean Air Protection Fund FY2015 regulation reference 18 AAC 50.400(a)(7)(B) |
| Air Quality | Permit Fee applied to Stationary Sources: One time nonrefundable permit fee - Stationary source fast track procedures available | 18 AAC 50.400 (c) in FY2015 | \$2,665.00 | \$0.00 | \$0.00 | N/A | 18 AAC 50.400 updated Effective 9/26/15; Clean Air Protection Fund Regulation updated to categorize this work as not requiring a separate fixed fee. |
| Air Quality | New general operating permit or a new general minor permit | 18 AAC 50.400 (c) | 149% salary/# of applicants | 149% salary/# of applicants | 149% salary/# of applicants | N/A | 18 AAC 50.400 updated Effective 9/26/15; Clean Air Protection Fund &/or General Fund Program Receipts FY2015 regulation reference 18 AAC 50.400(d) |
| Air Quality | Annual Compliance Review Fee for a stationary source that is not classified as needing a Title V permit | 18 AAC 50.400 (d) | \$325.00 | \$750.00 | \$750.00 | N/A | 18 AAC 50.400 updated Effective 9/26/15; General Fund Program Receipts FY2015 regulation reference 18 AAC 50.400(e) |

FY2015 Annual Fee Report per AS 37.10.050(c)

| Name of Component/Program | Purpose of Fee | Authorizing Statute or Regulation | FY2015 Fee | FY2016 Fee | Proposed FY2017 Fee | Amount of FY2017 Budget Increase due to Fee Change (If no increase, enter "N/A") | Explain changes made to regulations and any proposed changes to statutes. If fee revenue is considered non-UGF, please note its designation (i.e., GF/PR, etc.) |
|----------------------------------|--|--|-------------------|-------------------|----------------------------|---|---|
| Air Quality | Before the department takes action on any request or application received, the permittee, owner, or operator of a stationary source who requests a minor permit, review, action, or activity described in this subsection must pay a nonrefundable one-time permit fee as follows: | | | | | | |
| Air Quality | Change a Title I permit by administrative amendment under AS 46.14.285 | 18 AAC 50.400 (f) (1) in FY2015 | \$465.00 | \$0.00 | \$0.00 | N/A | 18 AAC 50.400 updated Effective 9/26/15; General Fund Program Receipts Beginning 9/26/15, this work is now included in the cost of the Title I permit under 18 AAC 50.400(h) |
| Air Quality | Change a Title V permit by administrative amendment under 18 AAC50.326 or to add a minor permit to a Title V permit by administrative amendment under 18AAC 50.542(e) | 18 AAC 50.400 (f) (2) in FY2015 | \$225.00 | \$0.00 | \$0.00 | N/A | 18 AAC 50.400 updated Effective 9/26/15; General Fund Program Receipts Beginning 9/26/15, this work is now included in the cost of the Title V permit renewal under 18 AAC 50.400(a) |

FY2015 Annual Fee Report per AS 37.10.050(c)

| Name of Component/Program | Purpose of Fee | Authorizing Statute or Regulation | FY2015 Fee | FY2016 Fee | Proposed FY2017 Fee | Amount of FY2017 Budget Increase due to Fee Change (If no increase, enter "N/A") | Explain changes made to regulations and any proposed changes to statutes. If fee revenue is considered non-UGF, please note its designation (i.e., GF/PR, etc.) |
|----------------------------------|--|--|-------------------|-------------------|----------------------------|---|---|
| Air Quality | Change a Title V permit by administrative amendment to incorporate, in accordance with 40 C.F.R 71.7(d)(1)(v) adopted by reference in 18 AAC 50.040, the requirements from a construction permit issued under 18 AAC 50.316 | 18 AAC 50.400 (f) (3) in FY2015 | \$220.00 | \$0.00 | \$0.00 | N/A | 18 AAC 50.400 updated Effective 9/26/15; General Fund Program Receipts Beginning 9/26/15, this work is now included in the cost of the Title V permit renewal under 18 AAC 50.400(a) |
| Air Quality | 18 AAC 50.225 Owner Requested Limit Administrative Amendment | 18 AAC 50.400 (f)(4) in FY2015 | \$465.00 | \$0.00 | \$0.00 | N/A | 18 AAC 50.400 updated Effective 9/26/15; Clean Air Protection Funds Beginning 9/26/15, this work is now included in the cost of the 18 AAC 50.225 ORL identified in under 18 AAC 50.400(f)(1)(A) |
| Air Quality | After the department completes a review, action, or activity described in this subsection, and sought by the permittee, owner, or operator of a stationary source described in 18 AAC 50.326 or 18 AAC 50.502, the permittee, owner, or operator will be invoiced for and shall pay a nonrefundable one-time fee as follows: | | | | | | |

FY2015 Annual Fee Report per AS 37.10.050(c)

| Name of Component/Program | Purpose of Fee | Authorizing Statute or Regulation | FY2015 Fee | FY2016 Fee | Proposed FY2017 Fee | Amount of FY2017 Budget Increase due to Fee Change (If no increase, enter "N/A") | Explain changes made to regulations and any proposed changes to statutes. If fee revenue is considered non-UGF, please note its designation (i.e., GF/PR, etc.) |
|----------------------------------|--|--|-------------------|-------------------|----------------------------|---|--|
| Air Quality | Department review of a source test plan | 18 AAC 50.400 (g) (1) in FY2015 | \$665.00 | \$0.00 | \$0.00 | N/A | 18 AAC 50.400 updated Effective 9/26/15; Clean Air Protection Fund &/or General Fund Program Receipts Beginning 9/26/15, this work is now included in the cost of the annual routine compliance fees throughout 18 AAC 50.400 |
| Air Quality | Department review of the results of a source test | 18 AAC 50.400 (g) (2) in FY2015 | \$660.00 | \$0.00 | \$0.00 | N/A | 18 AAC 50.400 updated Effective 9/26/15; Clean Air Protection Fund &/or General Fund Program Receipts Beginning 9/26/15, this work is now included in the cost of the annual routine compliance fees throughout 18 AAC 50.400 |
| Air Quality | Department review and processing of an excess emission report or permit deviation report submitted in accordance with a stationary source's permit | 18 AAC 50.400 (e)(1) | \$15.00 | \$20.00 | \$20.00 | N/A | 18 AAC 50.400 updated Effective 9/26/15; Clean Air Protection Fund &/or General Fund Program Receipts FY2015 regulation reference 18 AAC 50.400(g)(3) |
| Air Quality | Department Fee review under 18 AAC 15.190 | 18 AAC 50.400 (e) (2) | \$210.00 | \$110.00 | \$110.00 | N/A | 18 AAC 50.400 updated Effective 9/26/15; Clean Air Protection Fund &/or General Fund Program Receipts FY2015 regulation reference 18 AAC 50.400(g)(4) |

FY2015 Annual Fee Report per AS 37.10.050(c)

| Name of Component/Program | Purpose of Fee | Authorizing Statute or Regulation | FY2015 Fee | FY2016 Fee | Proposed FY2017 Fee | Amount of FY2017 Budget Increase due to Fee Change (If no increase, enter "N/A") | Explain changes made to regulations and any proposed changes to statutes. If fee revenue is considered non-UGF, please note its designation (i.e., GF/PR, etc.) |
|----------------------------------|---|--|-------------------|-------------------|----------------------------|---|--|
| Air Quality | The permittee, owner, or operator of a stationary sources who requests an owner requested limit (ORL) under 18 AAC 50.225 or a preapproved emission limit under 18 AAC 50.230 | | | | | | |
| Air Quality | For an ORL: | | | | | | |
| Air Quality | One-Time Administrative Fee before the department takes action on any request received | 18 AAC 50.400 (f) (1) (A) One time fee | \$2,290.00 | \$2,168.00 | \$2,168.00 | N/A | 18 AAC 50.400 updated Effective 9/26/15; Clean Air Protection Fund FY2015 regulation reference 18 AAC 50.400(h)(1)(A). Title I work under 18 AAC 50.508(5) is no longer part of this fee and instead charged under 18 AAC 50.400(h) |
| Air Quality | Annual Compliance Review Fee unless permittee, owner or operator is required to pay an annual compliance review fee under (a) or (h) of this section | 18 AAC 50.400 (f) (1) (B) | \$235.00 | \$319.00 | \$319.00 | N/A | 18 AAC 50.400 updated Effective 9/26/15; Clean Air Protection Fund FY2015 regulation reference 18 AAC 50.400(h)(1)(B). Title I work under 18 AAC 50.508(5) is no longer part of this fee and instead charged under 18 AAC 50.400(h) |
| Air Quality | For a preapproved emission limit for diesel engines under 18 AAC 50.230 (c) or a preapproved emission limit for a gasoline distribution facility considered under 18 AAC 50.230(d) to be a bulk gasoline plant | | | | | | |

FY2015 Annual Fee Report per AS 37.10.050(c)

| Name of Component/Program | Purpose of Fee | Authorizing Statute or Regulation | FY2015 Fee | FY2016 Fee | Proposed FY2017 Fee | Amount of FY2017 Budget Increase due to Fee Change (If no increase, enter "N/A") | Explain changes made to regulations and any proposed changes to statutes. If fee revenue is considered non-UGF, please note its designation (i.e., GF/PR, etc.) |
|----------------------------------|---|--|-------------------|-------------------|----------------------------|---|--|
| Air Quality | One-time administrative fee to be paid before the limit takes effect | 18 AAC 50.400 (f) (2) (A) | \$65.00 / \$85.00 | \$88.00 | \$88.00 | N/A | 18 AAC 50.400 updated Effective 9/26/15; Clean Air Protection Fund Regulation updated to combine former 18 AAC 50.400(2)(A) & (3)(A) |
| Air Quality | Annual Compliance Review Fee | 18 AAC 50.400 (f) (2) (B) | \$60.00 / \$45.00 | \$95.00 | \$95.00 | N/A | 18 AAC 50.400 updated Effective 9/26/15; Clean Air Protection Fund Regulation updated to combine former 18 AAC 50.400(2)(B) & (3)(B) |
| Air Quality | For a preapproved emission limit for a gasoline distribution facility considered under 18 AAC 50.230(d) to be a bulk gasoline plant | | | | | | |
| Air Quality | One-time administrative Fee to be paid before the limit takes effect | 18 AAC 50.400 (h) (3) (A) One time fee | \$65.00 | \$0.00 | \$0.00 | N/A | 18 AAC 50.400 updated Effective 9/26/15; Clean Air Protection Fund Regulation updated to combine former 18 AAC 50.400(2)(A) & (3)(A) |
| Air Quality | Annual Compliance Review Fee | 18 AAC 50.400 (h) (3) (B) | \$60.00 | \$0.00 | \$0.00 | N/A | 18 AAC 50.400 updated Effective 9/26/15; Clean Air Protection Fund Regulation updated to combine former 18 AAC 50.400(2)(B) & (3)(B) |
| Air Quality | For a preapproved emission limit for diesel engines under 18 AAC 50.230 (c) | | | | | | |

FY2015 Annual Fee Report per AS 37.10.050(c)

| Name of Component/Program | Purpose of Fee | Authorizing Statute or Regulation | FY2015 Fee | FY2016 Fee | Proposed FY2017 Fee | Amount of FY2017 Budget Increase due to Fee Change (If no increase, enter "N/A") | Explain changes made to regulations and any proposed changes to statutes. If fee revenue is considered non-UGF, please note its designation (i.e., GF/PR, etc.) |
|----------------------------------|---|--|---|-------------------------------|-------------------------------|---|---|
| Air Quality | One-time administrative fee to be paid before the limit takes effect | 18 AAC 50.400 (h) (2) (A) One time fee | \$85.00 | \$88.00 | \$0.00 | N/A | 18 AAC 50.400 updated Effective 9/26/15; Clean Air Protection Fund Regulation updated to combine former 18 AAC 50.400(2)(A) & (3)(A) |
| Air Quality | Annual Compliance Review Fee | 18 AAC 50.400 (h) (2) (B) | \$45.00 | \$95.00 | \$0.00 | N/A | 18 AAC 50.400 updated Effective 9/26/15; Clean Air Protection Fund Regulation updated to combine former 18 AAC 50.400(2)(B) & (3)(B) |
| Air Quality | Department Review of and routine compliance services for open burning under 18 AAC 50.065. If a smoke incursion identified, additional fees occur in accordance with section (h). | 18 AAC 50.400 (g) in Accordance with 18 AAC 50.065 | \$200.00 | \$230.00 | \$230.00 | N/A | 18 AAC 50.400 updated Effective 9/26/15; General Fund Program Receipts FY2015 regulation reference 18 AAC 50.400(i) |
| Air Quality | Hourly Permit Administration Fee for designated regulatory service not subject to a fixed fee set out in (a) - (g) of the fee regulations | 18 AAC 50.400 (h) | 149% salary plus direct costs | 149% salary plus direct costs | 149% salary plus direct costs | N/A | 18 AAC 50.400 updated Effective 9/26/15; Clean Air Protection Fund and/or General Fund Program Receipts FY2015 regulation reference 18 AAC 50.400(j). Subparts of (j) were rolled into one fee regulation reference. |
| Air Quality | Negotiation Service Agreements | 18 AAC 50.403 | \$5,300.00 Retainer Plus Negotiated Fee | \$0.00 | \$0.00 | N/A | 18 AAC 50.400 updated Effective 9/26/15; Clean Air Protection Fund and/or General Fund Program Receipts FY2015 regulation required retainer fee was removed. Work continues under 18 AAC 50.400(h) as before and billed accordingly. |

FY2015 Annual Fee Report per AS 37.10.050(c)

| Name of Component/Program | Purpose of Fee | Authorizing Statute or Regulation | FY2015 Fee | FY2016 Fee | Proposed FY2017 Fee | Amount of FY2017 Budget Increase due to Fee Change (If no increase, enter "N/A") | Explain changes made to regulations and any proposed changes to statutes. If fee revenue is considered non-UGF, please note its designation (i.e., GF/PR, etc.) |
|---------------------------|---|-----------------------------------|--|--|--|---|--|
| Air Quality | <u>Annual Emission Fees</u> | | | | | | |
| Air Quality | Annual emission fees on each stationary source that is subject to a permit under this chapter. | 18 AAC 50.410(b) | \$28.57/ton of pollutant for stationary sources required to obtain an operating permit under AS 46.14.130(b) and \$9.25/ton of pollutant for stationary sources not subject to AS 46.14.130 but otherwise required to obtain a permit under AS 46.14.130 | \$42.95/ton of pollutant for stationary sources required to obtain an operating permit under AS 46.14.130(b) and \$9.79/ton of pollutant for stationary sources not subject to AS 46.14.130 but otherwise required to obtain a permit under AS 46.14.130 | \$42.95/ton of pollutant for stationary sources required to obtain an operating permit under AS 46.14.130(b) and \$9.79/ton of pollutant for stationary sources not subject to AS 46.14.130 but otherwise required to obtain a permit under AS 46.14.130 | N/A | 18 AAC 50.400 updated Effective 9/26/15; Clean Air Protection Fund and/or General Fund Program Receipts |
| Air Quality | Annual emission fees for a portable oil and gas operation under a general minor permit under 18 AAC 50.560, for operation at one or more ice pads during a winter drilling season , north of 69 degrees, 30 minutes North latitude. | 18 AAC 50.410 (g)(3)(A)(i) | \$1,336.00 | \$1,414.00 | \$1,414.00 | N/A | 18 AAC 50.400 updated Effective 9/26/15; General Fund Program Receipts |

FY2015 Annual Fee Report per AS 37.10.050(c)

| Name of Component/Program | Purpose of Fee | Authorizing Statute or Regulation | FY2015 Fee | FY2016 Fee | Proposed FY2017 Fee | Amount of FY2017 Budget Increase due to Fee Change (If no increase, enter "N/A") | Explain changes made to regulations and any proposed changes to statutes. If fee revenue is considered non-UGF, please note its designation (i.e., GF/PR, etc.) |
|----------------------------------|---|--|-------------------|-------------------|----------------------------|---|--|
| Air Quality | Annual emission fees for a portable oil and gas operation under a general minor permit under 18 AAC 50.560, for operation during a state fiscal year at one or more sites not including a seasonal ice pad, north of 69 degrees, 30 minutes North latitude. | 18AAC 50.410 (g)(3)(A)(ii) | \$4,008.00 | \$4,241.00 | \$4,241.00 | N/A | 18 AAC 50.400 updated Effective 9/26/15; General Fund Program Receipts |
| Air Quality | Annual emission fees for a portable oil and gas operation outside the area described in 18 AAC 50.410(g)(3)(A), for drilling five or fewer wells under the same application or notification during a state fiscal year. | 18 AAC 50.410(g)(3)(B)(i) | \$1,245.00 | \$1,318.00 | \$1,318.00 | N/A | 18 AAC 50.400 updated Effective 9/26/15; General Fund Program Receipts |
| Air Quality | Annual emission fees for a portable oil and gas operation outside the area described in 18 AAC 50.410(g)(3)(A), for drilling no fewer than six and no more than 10 wells under the same application or notification during a state fiscal year. | 18 AAC 50.410(g)(3)(B)(ii) | \$2,490.00 | \$2,635.00 | \$2,635.00 | N/A | 18 AAC 50.400 updated Effective 9/26/15; General Fund Program Receipts |

FY2015 Annual Fee Report per AS 37.10.050(c)

| Name of Component/Program | Purpose of Fee | Authorizing Statute or Regulation | FY2015 Fee | FY2016 Fee | Proposed FY2017 Fee | Amount of FY2017 Budget Increase due to Fee Change (If no increase, enter "N/A") | Explain changes made to regulations and any proposed changes to statutes. If fee revenue is considered non-UGF, please note its designation (i.e., GF/PR, etc.) |
|--|--|--|-------------------|-------------------|----------------------------|---|--|
| Air Quality | Annual emission fees for a portable oil and gas operation outside the area described in 18 AAC 50.410(g)(3)(A), for drilling 11 or more wells under the same application or notification during a state fiscal year. | 18 AAC 50.410(g)(3)(B)(iii) | \$3,735.00 | \$3,953.00 | \$3,953.00 | N/A | 18 AAC 50.400 updated Effective 9/26/15; General Fund Program Receipts |
| Air Quality / Non Point Mobile Sources | <u>Inspection/Maintenance</u> (Municipal agreements to pay operating and maintenance costs associated with Vehicle I/M system). | | | | | | |
| Air Quality / Non Point Mobile Sources | Certificate of inspection Fee | 18 AAC 52.020(f); AS 44.46.025 | \$20.00 | \$20.00 | \$20.00 | N/A | Statutory Designated Program Receipts |
| Air Quality / Non Point Mobile Sources | Replacement Fee for Certificate of Inspection | 18 AAC 52.020(i); AS 44.46.025 | \$20.00 | \$20.00 | \$20.00 | N/A | Statutory Designated Program Receipts |