

Facts About the Revised Air Quality Fee Rule - December 2007

The Arizona Department of Environmental Quality (ADEQ or Department) has revised its Air Quality Fee rules found in Arizona Administrative Code (A.A.C.), Title 18, Chapter 2, Rule 326 (R18-2-326), and Title 18, Chapter 2, Rule 511 (R18-2-511).

CHANGES TO THE FEE RULE

Permit Fees

The revised fee rule requires that each source applying for an individual permit from the Department, pay ADEQ \$133.50 per hour spent processing a permit, adjusted by the Consumer Price Index (CPI) each year starting in 2008. For Class I and Class II Title V Sources, there is no cap on how much a permit could cost the company, as these sources tend to be fairly complex. Class II Non-Title V Sources, however, cannot be charged more than \$25,000 for a permit.

The revised fee rule also requires that each source pay the actual cost of public notice that the Department incurs. These costs include publishing the notice in the newspaper and reserving a location for public hearings and meetings.

Please note that the revised fee rule authorizes the Department to require periodic payment of the permit processing fees. The Air Quality Division currently mails invoices and requires such payments on a quarterly basis.

Class I Title V Annual Administrative Fees and Emissions Based Fees

The annual administrative fees and emissions based fees for Class I permits have been increased. The revised emissions based fee is \$38.25 per ton of pollutant.

The following table shows the revised administrative fee schedule:

Class I Title V Source Category	Administrative Fee
Aerospace	\$20,800
Air Curtain Destructors	\$750
Cement Plants	\$63,690
Combustion/Boilers	\$15,480
Compressor Stations	\$12,730
Electronics	\$20,490
Expandable Foam	\$14,680
Foundries	\$19,520
Landfills	\$15,960
Lime Plants	\$60,160
Copper and Nickel Mines	\$15,000
Gold Mines	\$15,000
Mobile Home Manufacturing	\$14,830
Paper Mills	\$20,480
Paper Coaters	\$15,480
Petroleum Products Terminal Facilities	\$22,730
Polymeric Fabric Coaters	\$20,480
Reinforced Plastics	\$15,480
Semiconductor Fabrication	\$26,930
Copper Smelters	\$63,690
Utilities - Fossil Fuel Fired Except Coal	\$16,440
Utilities - Coal Fired	\$32,570
Vitamin/Pharmaceutical Manufacturing	\$15,800
Wood Furniture	\$15,480
Others	\$20,490
Others with Continuous Emissions Monitors	\$20,490

Class II Title V Fees

The following table shows the revised administrative fee schedule:

Class II Title V Source Category	Administrative Fee
Synthetic minor sources, except portable sources	Administrative fee from the Class I Title V table for the category
Stationary Sources	\$8,070
Portable Sources	\$8,070
Small Sources	\$750

Class II Non-Title V Fees

The following table shows the revised inspection fee schedule:

Class II Non-Title V Source Category	Inspection Fee
Stationary	\$5,230
Portables	\$5,230
Gasoline Service Stations	\$750

General Permit Fees

The initial application fee for coverage under general permits has not been changed, and will remain at \$500. In addition to the initial application fee, the Department will now charge \$500 for requests to add new equipment to general permit coverages.

The following table shows the revised administrative fee schedule:

General Permit Source Category	Administrative Fee
Class I Title V General Permits	Administrative fee for category from R18-2-326(C)
Class II Title V Small Source	\$750
Other Class II Title V General Permits	\$4,520
	Inspection Fee
Class II Non-Title V Crematories	\$1,500
Other Class II Non-Title V General Permits	\$3,020

INVOICING

ADEQ's revised fee rule became effective on Dec. 4, 2007. The revised fee rule continues to require the Department to mail out invoices to facilities on or before Dec. 1 of each year. All payments will then be due to ADEQ on or before Feb. 1 of each year.

For the 2008 Invoice Only:

Billing year 2008 invoices, although mailed a few days after Dec. 1, are still due on Feb 1, 2008.

INACTIVE SOURCES

The revised fee rule has retained the provision for inactive sources. Inactive sources that have not operated for the calendar year would only be required to pay 50% of the administrative or inspection fees that are applicable to the source for the following billing year. In order for a source to qualify for such an exemption, the owner or operator of the source must claim inactive status by submitting a letter to the Director of the Air Quality Division. The revised fee rule requires that the Department be notified by Dec. 15 of the year for which the source was inactive.

QUESTIONS

Should you require any further information regarding the revised fee rule, or should you have questions concerning your invoice, please contact:

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