

# LUESA Air Quality Fee Proposal

Fiscal Year 2025

# Proposal

## Goal:

Adopt mechanism to adjust air quality fees annually to avoid funding gaps and the need for large adjustments in one year.

## Recommendation:

Starting in FY25, adjust fees annually based on the average monthly change in Consumer Price Index as calculated by USEPA.

## Rationale:

This adjustment methodology is specified in Part 70 of the Clean Air Act for federally regulated (Title V) permits. Some state and local agencies apply it to all AQ fees.

# Annual EPA Memo

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- Each year EPA publishes the % increase of their presumptive minimum fee rate based on average monthly change in the Consumer Price Index.

## MEMORANDUM

SUBJECT: Calculation of the Part 70 Presumptive Minimum Fee Effective September 1, 2023 through August 31, 2024

FROM: Corey Sugerik  
Operating Permits Group, AQPD, OAQPS

TO: Operating Permits Contacts  
Regions I-X

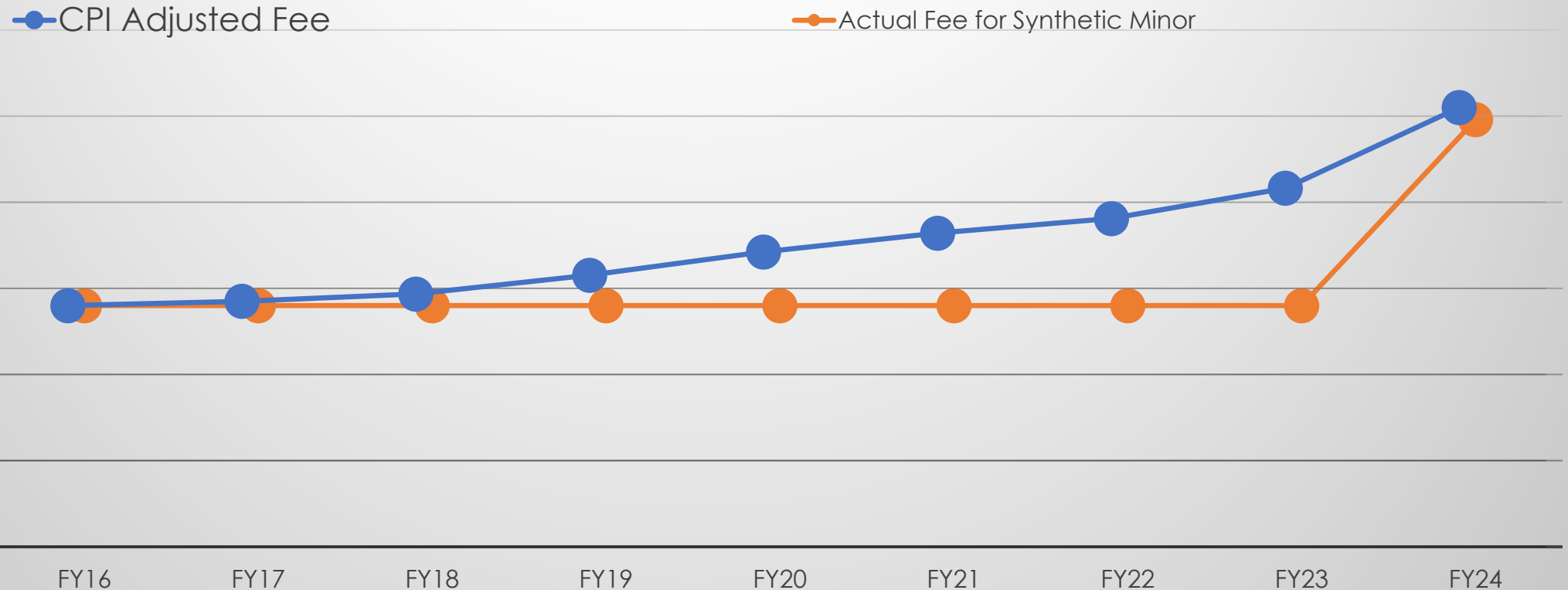
The part 70 presumptive minimum fee rate (\$/ton) effective for the 12-month period of September 1, 2023 through August 31, 2024 is \$61.73. This fee rate represents an increase of 5.43149% (or \$3.18) from the fee rate in effect for the prior 12-month period (\$58.55). This increase is based on a calculation of the average monthly change in the Consumer Price Index (All Urban Consumers) for the 12-month period of September 2022 through August 2023 as reported by the U.S. Bureau of Labor Statistics.

This fee rate is used to calculate emissions-based fees for part 70 permit programs that use the presumptive minimum fee for that purpose.<sup>1</sup> Note that many part 70 programs do not use the presumptive fee rate, so check with your permitting authority for the proper fee rates for your location. Also, the fee rate in effect for a given time period is the one normally used in fee calculations performed during that time period, regardless of the time period of the emissions data used in the calculation. For example, when annual fees are calculated in October of 2023 and they are based on the presumptive minimum fee rate, you would use \$61.73 as the fee rate, even though the emissions data would typically be from calendar year 2022.

For any questions regarding this memorandum, please contact Corey Sugerik at (919) 541-3223 or [sugerik.corey@epa.gov](mailto:sugerik.corey@epa.gov).

# Historical Comparison

## CPI Adjusted Fee vs Actual MCAQ Fee Example: Synthetic Minor Facility Fee



# Historical Comparison

Fiscal Year	CPI Adjustment Factor Published by EPA	CPI Adjusted Fee	Actual Fee for Synthetic Minor
FY16		\$5,400	\$5,400
FY17	0.46%	\$5,425	\$5,400
FY18	0.80%	\$5,468	\$5,400
FY19	1.98%	\$5,577	\$5,400
FY20	2.43%	\$5,712	\$5,400
FY21	1.90%	\$5,821	\$5,400
FY22	1.46%	\$5,906	\$5,400
FY23	2.99%	\$6,082	\$5,400
FY24	7.69%	\$6,550	\$6,480

# Proposed FY25 Fees

## Annual Facility Fees and Application Fees

Class	# of Businesses	Examples of Industry Type	Annual Facility Fee	Application Fee
<b>Title V</b>	10	Foundries, Steel Mill, Wood-fired boilers	<del>\$11,400</del> \$12,020	<del>\$12,000</del> \$12,650
<b>SM</b>	60	Gasoline terminals, Hospitals, Asphalt plants	<del>\$6,480</del> \$6,830	<del>\$900</del> \$950
<b>SB</b>	30	Water treatment facilities, Small industries with boilers	<del>\$2,100</del> \$2,210	<del>\$600</del> \$630
<b>B</b>	47	Concrete plants, Larger printing/coating	\$1,500 \$1,580	\$300 \$320
<b>C</b>	67	Auto-body shops, Commercial printing/coating	\$750 \$790	\$300 \$320
<b>Stage I</b>	324	Gasoline Stations	\$120 \$130	\$240 \$250

- Annual Emission Fee = ~~\$60/ton~~ \$63
- Annual Ambient Monitoring Fee= ~~\$300~~ \$320

# Draft Regulatory Language

## MCAPCO Regulation 1.5231, paragraph (j):

The fees as determined in Paragraph (b) of this Regulation ~~for~~  
~~Title V facilities~~ may be adjusted as of ~~July 1~~ ~~September 30th~~ of  
each year for inflation. The inflation adjustment shall be done by  
the method described in 40 CFR 70.9(b)(2)(iv). The tonnage  
factor shall be rounded to a whole dollar and the other fees shall  
be rounded to the nearest ten-dollar (\$10.00) increment.

# QUESTIONS ?