

SACRAMENTO METROPOLITAN AIR QUALITY MANAGEMENT DISTRICT

RULE 301 - PERMIT FEES - STATIONARY SOURCE

(Adopted 11-29-71; Amended 8-27-85, 10-14-86, 10-27-87, 7-1-88, 7-25-89, 7-24-90, 10-22-91, 6-7-94, 2-2-95, 4-6-95, 12-5-96, 10-25-01, 10-27-05)

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100 GENERAL

101 **PURPOSE:** To establish fees to be charged to (1) owners/operators of a stationary source required to obtain an Authority to Construct or a Permit to Operate by Rule 201, (2) owners/operators of a stationary source required to obtain a Title V operating permit by Rule 207, and (3) applicants requesting to deposit or withdraw emission reduction credits from the District credit bank.

102 **PUBLIC AGENCIES NOT EXEMPT:** Federal, state or local government agencies or public agencies shall pay fees to the extent allowed under Chapter 2, Division 7, Title 1 of the Government Code (commencing with Section 6100) and Section 42311 of Division 26 of the California Health and Safety Code.

200 DEFINITIONS

201 **CANCELED APPLICATION:** Any application which has been withdrawn by the applicant.

202 **CHANGE OF LOCATION:** Any transfer of an existing permitted source from one location to another not on the same property or facility.

203 **AUTHORITY TO CONSTRUCT FEE:** A fee for each authority to construct based on the type and size of the source.

204 **INITIAL PERMIT FEE:** A fee for each new permit based on the type and size of the source.

205 **PERMIT RENEWAL FEE:** A fee required for the annual renewal of a permit to operate.

206 **MODIFICATION:** Any physical change in an existing facility or change in the method of operation which results or may result in either an increase or decrease in emission of any air pollutant subject to district control, or the emission of any such air pollutant not previously emitted. The following shall not be regarded as physical changes or changes in the method of operation:

206.1 Routine maintenance, repair or replacement with identical or equivalent equipment;

206.2 Increased production rate or increased hours of operation where there is no increase in fixed capital cost, unless such production and hours are limited by permit conditions.

207 **SOURCE:** Any operation that produces and/or emits air pollutants.

300 STANDARDS

301 **AUTHORITY TO CONSTRUCT FEE:** Every applicant for an authority to construct shall pay one half of the estimated initial permit fee in Section 308 of this rule upon filing the application.

301.1 Within 30 days of receipt of an application, the Air Pollution Control Officer may notify the applicant that, due to the complexity of the application, the permit processing fees shall be based on the actual hours spent by the District staff in evaluating the application and verifying equipment compliance. This fee shall be assessed in accordance with the hourly rate established in Section 308.11. The applicant shall deposit with the District the amount estimated by the Air Pollution Control Officer to be charged for processing the authority to construct, which said sum is not to exceed the actual cost of such work. This estimate may include costs associated with planning meetings and/or design evaluations prior to actual submission of a complete application. The deposit shall be required for the following:

- a. Equipment associated with cogeneration projects.
- b. Equipment associated with resource recovery projects.

- c. Equipment associated with landfill projects.
- d. Equipment associated with power plants.
- e. Equipment involving the disposal by incineration, or other thermal process, of hazardous, toxic or infectious waste.
- f. Equipment involving the emission of hazardous or toxic materials.
- g. Equipment which is expected to emit 25 tons, or more, per year of any pollutant, or which is expected to increase the emissions of any pollutant from an existing facility by 25 tons, or more, per year.
- h. Any project for which the evaluation is expected to take 10 hours or more.

The applicant may request a conference with the Air Pollution Control Officer to review the cost estimate. The applicant may propose to provide additional information with the application that would reduce the time spent by the Air Pollution Control Officer in reviewing the application. The Air Pollution Control Officer's cost estimate shall be reduced accordingly.

302 **INITIAL PERMIT FEE:** Every applicant for a permit to operate shall pay the initial permit fee in Section 308 of this rule for the issuance of a permit to operate. An applicant for an authority to construct who has paid a portion of the initial permit fee shall be required to pay only the remaining portion for the issuance of a permit to operate.

302.1 When an application for a permit to operate is submitted for equipment that has been operated without a required permit from the District, the applicant shall pay renewal back fees for each year of unpermitted operation, to a maximum of 3 years, in addition to the initial permit fee.

302.2 When an application for a permit is submitted for the replacement of a boiler, process heater, or steam generator which is rated at or above 1 million BTU/hr and below 5 mmBTU/hr and is subject to the NO_x emission limit requirements in Rule 411, NO_x FROM BOILERS, PROCESS HEATERS, AND STEAM GENERATORS, then the applicant shall pay an initial permit fee equivalent to the permit renewal fee in Section 308.3. This section only applies for initial compliance with the limits adopted on October 27, 2005.

303 **PERMIT RENEWAL FEE:** Every holder of a permit to operate shall pay a fee for the annual permit renewal. The permit renewal fee shall be the total of:

303.1 The Permit Renewal Fee indicated by the appropriate schedule of Section 308 of this rule, and

303.2 The calculated fee for the total tons of each pollutant emitted during the prior calendar year as indicated by the following table. The minimum fee shall be that for one ton per year. The total tons of each pollutant shall be the actual emission rounded up to the next whole ton.

Table 303 – 1

| Pollutant | Fee Per Ton of Pollutant Emitted During 12-Month Period |
|------------------------------------|---|
| Carbon Monoxide (CO) | \$50 for Schedule 6, \$52 for all other schedules |
| Nitrogen Oxides (NO _x) | \$50 for Schedule 6, \$52 for all other schedules |
| Reactive Organic Gas (ROG) | \$50 for Schedule 6, \$52 for all other schedules |
| Sulfur Oxides (SO _x) | \$50 for Schedule 6, \$52 for all other schedules |
| Total Suspended Particulate (TSP) | \$50 for Schedule 6, \$52 for all other schedules |

303.3 The holder of permits with more than one anniversary date may request a common renewal date and that fees be prorated as necessary.

304 **CANCELLATION OR WITHDRAWAL:** If the application for an authority to construct is canceled or denied, the fees paid shall not be refunded nor applied to any other application. Fees paid under Section 301.1 that are not used prior to an application being withdrawn by the applicant shall be refunded upon request.

305 **REVOCATION:** If a permit to operate is revoked, the permit renewal fee applicable to that portion of the year during which the permit is invalid shall not be refunded nor applied to any other application.

- 306 **ALTERATIONS, ADDITIONS, REVISIONS OR CHANGE IN CONDITIONS:**
- 306.1 When an application is filed for a permit involving alterations or additions resulting in a change to any existing equipment for which a permit to operate was granted for such equipment and has not been canceled under Section 401 of this rule, the applicant shall pay a permit fee based on the incremental increase in rating, capacity or increase in the number of nozzles resulting from such change in accordance with the fee schedule in Section 308 of this rule.
- 306.2 When an application is filed for a revision of conditions on a permit to operate or any alteration or addition, but no increase or change is made in rating, capacity or number of nozzles, the applicant shall pay a permit fee of \$567.

307 **CHANGE OF LOCATION OR OWNERSHIP:** When an application is filed for a permit because the equipment has been moved to a new location, or ownership has been transferred from one person to another and a permit to operate granted for such equipment has not been canceled under Section 401 of this rule, the applicant shall pay a permit fee equivalent to the permit renewal fee in Section 303 of this rule.

308 **SCHEDULES FOR INITIAL PERMIT FEE AND PERMIT RENEWAL FEE:**

308.1 It is determined that the cost of issuing permits, and of inspections pertaining to such issuance exceeds the fees specified in this rule. If more than one fee schedule is applicable to a permit, the governing schedule shall be that which results in the higher fee. When a group of machines are included in a single permit, the permit fee shall be based on the total rating of the group.

308.2 **SCHEDULE 1, ELECTRIC MOTOR HORSEPOWER SCHEDULE:** Any equipment using motors as a power source shall be assessed a permit fee based on the cumulative total rated horsepower of all motors included, in accordance with the following schedule:

| Horsepower | Initial Permit Fee | Permit Renewal Fee |
|-------------------|---------------------------|---------------------------|
| Less than 5 | \$567 | \$284 |
| 5 to 49 | \$1134 | \$567 |
| 50 to 199 | \$2267 | \$1134 |
| 200 or greater | \$4533 | \$2267 |

308.3 **SCHEDULE 2, FUEL BURNING SCHEDULE:** Any equipment in which fuel is burned, with the exception of incinerators which are covered in Schedule 4, shall be assessed a permit fee based upon the design fuel consumption of the equipment expressed in thousands of British Thermal Units (BTU) per hour, using gross heating values of the fuel, in accordance with the following schedule:

| Million BTU Per Hour | Initial Permit Fee | Permit Renewal Fee |
|-----------------------------|---------------------------|---------------------------|
| Less than 1 | \$283 | \$142 |
| 1 to 9 | \$567 | \$284 |
| 10 to 49 | \$1134 | \$567 |
| 50 to 99 | \$2267 | \$1134 |
| 100 or greater | \$4533 | \$2267 |

- 308.4 **SCHEDULE 3, ELECTRICAL ENERGY SCHEDULE:** Any equipment which uses electrical energy, with the exception of motors covered in Schedule 1, shall be assessed a permit fee based on total Kilovolt Ampere (KVA) ratings, in accordance with the following schedule:

| Kilovolt Ampere | Initial Permit Fee | Permit Renewal Fee |
|------------------------|---------------------------|---------------------------|
| Less than 150 | \$1134 | \$567 |
| 150 or greater | \$4533 | \$2267 |

- 308.5 **SCHEDULE 4, INCINERATOR SCHEDULE:** Any equipment designed and used primarily to dispose of combustible refuse by wholly consuming the material charged leaving only the ashes or residue shall be assessed a permit fee based on the maximum horizontal inside cross sectional area, in square feet, of the primary combustion chamber, in accordance with the following schedule:

| Area, Square Feet | Initial Permit Fee | Permit Renewal Fee |
|--------------------------|---------------------------|---------------------------|
| Less than 10 | \$1134 | \$567 |
| 10 to 39 | \$3401 | \$1701 |
| 40 to 99 | \$4533 | \$2267 |
| 100 or greater | \$5668 | \$2834 |

- 308.6 **SCHEDULE 5, STATIONARY CONTAINER SCHEDULE:** Any stationary tank, reservoir or other container, with the exception of stationary storage tanks covered in Schedule 6, shall be assessed a permit fee based on the capacity in gallons, in accordance with the following schedule:

| Gallons | Initial Permit Fee | Permit Renewal Fee |
|--------------------|---------------------------|---------------------------|
| Less than 40,000 | \$1134 | \$567 |
| 40,000 to 399,999 | \$4533 | \$2267 |
| 400,000 or greater | \$5668 | \$4533 |

- 308.7 **SCHEDULE 6, GASOLINE FUELING EQUIPMENT SCHEDULE:** Any gasoline fueling equipment at a single location including stationary gasoline storage tanks, dispensers, and vapor recovery systems shall be assessed a permit renewal fee based on the number of gasoline dispensing nozzles in accordance with the following schedule:

| Gasoline Nozzles | Initial Permit Fee | Permit Renewal Fee |
|--|---|---|
| Gasoline dispensing equipment with phase I or phase II vapor recovery system | \$1060 minimum at \$152 per gasoline nozzle | \$530 minimum at \$76 per gasoline nozzle |

The permit renewal fee for a gasoline dispensing facility granted an exemption for nozzle vapor recovery by Rule 449 shall be \$265. The initial permit fee for a gasoline dispensing facility shall be reduced by \$32 if the underground inspection is performed by a fire department/district through the consolidated inspection program.

- 308.8 **SCHEDULE 7, INTERNAL COMBUSTION ENGINE HORSEPOWER SCHEDULE:** Any equipment using internal combustion engines as a power source shall be assessed a permit fee based on the cumulative total rated horsepower of all internal combustion engines included, in accordance with the following schedule:

| Horsepower | Initial Permit Fee | Permit Renewal Fee |
|-------------------|---------------------------|---------------------------|
| Less than 50 | \$283 | \$142 |
| 50 to 249 | \$567 | \$284 |
| 250 to 499 | \$1134 | \$567 |
| 499 to 999 | \$2267 | \$1134 |
| 1000 or greater | \$4533 | \$2267 |

- 308.9 **SCHEDULE 8, ELECTRICAL GENERATING EQUIPMENT GREATER THAN 5MW:** The Initial Permit fee or Permit Renewal fee for an electrical generating stationary source producing greater than 5MW shall be based on the actual hours spent by the District staff in evaluating the application and processing the permit. The fee shall be assessed in accordance with the hourly rate established in Section 308.12.
- 308.10 **SCHEDULE 9, MISCELLANEOUS EQUIPMENT:** Any equipment which is not included in the preceding schedules shall be assessed an initial permit fee of \$1134 and a permit renewal fee of \$567. Notwithstanding Section 308.1, standby and emergency equipment may be included in this schedule.
- 308.11 **SCHEDULE 10, TIME AND MATERIALS LABOR RATE RESTRICTED BY HEALTH AND SAFETY CODE SECTION 41512.7(b):** This Schedule shall only be applicable to fees required by Section 301.1. The rate for time and materials shall be \$95 per hour.
- 308.12 **SCHEDULE 11, TIME AND MATERIALS LABOR RATE:** This Schedule shall only be applicable to fees required by Sections 308.9, 311, and 313 through 315. The rate for time and materials shall be \$118 per hour.
- 309 **PERMIT TO OPERATE GRANTED BY HEARING BOARD:** Permits granted by the Hearing Board after denial by the Air Pollution Control Officer are subject to this Rule.
- 310 **DUPLICATE PERMITS:** A request for a duplicate permit shall be made in writing by the permittee. A fee of \$18 shall be charged for issuing a duplicate permit.
- 311 **SOURCE TEST OBSERVATION AND REPORT EVALUATION:** A fee of \$1134 will be charged against the owner or operator of a source whenever the Air Pollution Control Officer finds that a source test is required and must be observed and the report evaluated by district personnel to determine the actual emissions from the source for the purpose of issuing or renewing a permit to operate. When multiple source tests are performed and the results submitted in one consolidated report, the source test fee of \$1134 shall apply to the first 10 hours of District work. Each additional hour or portion thereof required for reviewing the source test shall be charged the time and materials labor rate established in Section 308.12.
- 312 **ANALYSIS FEES:** Whenever the Air Pollution Control Officer finds that an analysis of the emissions from any source is necessary to determine the extent and amount of pollutants being discharged into the atmosphere which cannot be determined by visual observation, he may collect and analyze emissions samples. The cost of collecting samples, making the analysis and preparing the necessary reports shall be charged against the owner or operator of said source. The Air Pollution Control Officer shall provide the applicant with an estimate of the actual cost of such work. The applicant may request a conference with the Air Pollution Control Officer to review the cost estimate. The applicant may provide additional information that would reduce the time spent by the Air Pollution Control Officer in performing an analysis of the emission from the source. The Air Pollution Control Officer's cost estimate shall be reduced accordingly.

- 313 **TITLE V OPERATING PERMIT FEE:** The fee for (1) the issuance of an initial Title V operating permit, (2) the renewal of a Title V operating permit, (3) the modification of a Title V operating permit or (4) an administrative Title V permit amendment shall be based on the actual hours spent by the District staff in evaluating the application and processing the operating permit. The fee shall be assessed in accordance with the hourly rate established in Section 308.12.
- 314 **REINSPECTION FEE:** If, during an inspection for the purpose of issuing (1) an initial Permit to Operate, (2) renewal of a Permit to Operate, or (3) any type of Title V operating permit, a permit unit's operation cannot be evaluated or approved due to circumstances beyond the control of the Air Quality Management District, the owner/operator shall pay the actual cost of a reinspection. The fee for the reinspection shall be assessed in accordance with the hourly rate established in Section 308.12.
- 315 **EMISSION REDUCTION CREDIT BANKING FEE:** Any person who requests to deposit emission reduction credits in the District credit bank or to withdraw emission reduction credits from the District credit bank shall pay a fee based on actual hours spent by the District staff in processing the request. The fee shall be assessed in accordance with the hourly rate established in Section 308.12.

400 ADMINISTRATIVE REQUIREMENTS

- 401 **NOTIFICATION OF INITIAL PERMIT FEE OR PERMIT RENEWAL FEE DUE:** After the provisions for granting permits as set forth in Division 26 of the Health and Safety Code and these rules and regulations have been complied with or on the renewal date of a permit to operate, the applicant/permittee will be notified by mail of the fee due and payable and the date the fee is due. If the fee is not paid by the specified due date, the fee shall be increased by one half the amount and the applicant/permittee shall be notified by mail of the increased fee. If the increased fee is not paid within 30 days after notice the application/permit will be canceled and the applicant/permittee will be notified by mail. A canceled application/permit may be reinstated by payment of the applicable permit fee plus fee increases.
- 402 **NEGOTIATED PAYMENT SCHEDULE:** If a permittee certifies to the Air Pollution Control Officer's satisfaction through declaration that payment in full of Permit to Operate Renewal fees would result in undue financial hardship, the District may negotiate an amended fee payment schedule, provided that the amended schedule includes reimbursing the District for any increased costs of processing the extra payments. Failure to make any payments by any negotiated due date may result in penalties as otherwise authorized in this rule and/or cancellation of the permit.
- 403 **CONSUMER PRICE INDEXING OF FEES:** Permit fees may be adjusted on an annual basis. If the Air Pollution Control Officer anticipates the need for a change, the adjustment must initially be proposed as part of the annual budget process. The proposed rate change must meet the requirements of the California Health and Safety Code, including sections 41512.7(b) and 42311(a). The rate change must be noticed as part of the proposed and final budgets. If the Board of Directors approves a fee change with the final budget, the Air Pollution Control Officer may adjust fees by up to the maximum rate approved by the Board.