

Knox County Air Pollution Control Board

**Proposed Regulatory Revisions
October 19, 2016**

1. Replace in its entirety the existing language of Section 25.7 (Payment of Fees) with that listed in Attachment A.
2. Replace in its entirety the existing language of Section 25.9 (Minor Source Emission Fees) with that listed in Attachment B.

ATTACHMENT A

Knox County Air Pollution Control Board

**Proposed Regulatory Revisions
October 19, 2016**

1. Replace in its entirety the existing language of Section 25.7 (Payment of Fees) so that it reads as:

“

25.7 Permit Fees

All persons requesting a construction permit, operating permit or asbestos demolition/renovation removal permit shall pay a fee as described by the following fee schedule.

- A. Fees for permits required by Sections 25.7-E.1, 25.7-F, 25.7-G, 25.7-H, and 25.7-J shall be included with the permit application. The fee to be paid shall be the sum of the fees for each applicable type of permit application and each action deemed necessary to evaluate the application.
- B. Any fee required by Sections 25.7-E.2 and 25.7-E.3 shall be billed to the applicant. Payment of all fees thus billed shall be made within thirty (30) days of the invoice date. Permits for sources still delinquent after 60 days will be voided and will not be reissued until all accrued fees are paid and a new application is submitted.
- C. Permits may not be issued if the Department has not received all fees required by these regulations.
- D. All fees paid with regard to these regulations shall be non-refundable.
- E. Construction Permit
 1. Any person making application to this Department for a construction permit shall pay an initial filing fee of \$150.00 per fuel burning equipment, incinerator, and process equipment being constructed. This filing fee shall not be refundable if a permit is denied or if the application is withdrawn, nor shall it be applied to any subsequent application.
 2. The applicant shall be assessed a fee for any public notice. The fee for the public notice on a minor source permit action will be \$75.00. The fee for a major source permit action will be assessed at the actual cost of publishing the notice.
 3. In addition to the fees in Sections 25.7-E.1 and 25.7-E.2, the largest of the following fees, if applicable, shall be paid by the applicant:
 - a. Prevention of Significant Deterioration (PSD) Review - \$2,000.

- b. Major Source or Major Modification Review requiring Modeling, except PSD - \$1,500.
- c. Minor Source or Minor Modification Review requiring Modeling - \$400.
- d. New Source Performance Standard (NSPS) Source Review - \$400.
- e. National Emission Standard for Hazardous Air Pollutant (NESHAP) Source Review - \$300.

F. Operating Permits

Beginning January 1, 2017 any person making application to the Department for an Operating Permit shall pay a fee of \$250. This fee shall not be refundable if a permit is denied or if the application is withdrawn, nor shall it be applied to any subsequent application.

G. Temporary Operating Permits

Any person making application to the Department for a Temporary Operating Permit shall pay a processing fee of \$50. This fee shall not be refundable if a permit is denied or if the application is withdrawn, nor shall it be applied to any subsequent application.

H. Permit Modification

Any person making application to the Department for the modification of a permit shall pay a fee of \$150. No fee is required for modification of a permit to correct clerical, typographical or calculation errors.

I. Reserved.

J. Asbestos Demolition/Renovation Removal Permits

Any person submitting a ten day notification form for an asbestos renovation/demolition project over the de minimis level of 160 square feet or 260 linear feet of regulated asbestos containing material, as stated in 40 CFR 61, Subpart M, National Emission Standard for Asbestos, will pay a fee of \$100 per notification. Permit fee is non-refundable if the permit is nullified or revoked by this Department.

K. Reserved.

L. Reserved. “

ATTACHMENT B

Knox County Air Pollution Control Board

**Proposed Regulatory Revisions
October 19, 2016**

2. Replace in its entirety the existing language of Section 25.9 (Minor Source Emission Fees) so that it reads as:

“

25.9 Minor Source and Synthetic Minor Source Emission Fees

A. Reserved

B. Definitions

Unless specifically defined in this section, the definitions from Section 13.0 will apply. All terms defined in this section apply only to the provisions of this section.

1. "Air Contaminant" is particulate matter, dust, fumes, gas, mist, smoke, or vapor, or any combinations thereof.
2. A "Source Subject to Fees" (Source) is any and all sources of emission of air contaminants, whether privately or publicly owned or operated, that is required to obtain a permit from the Department.
3. "Annual Accounting Period" is the calendar year (January 1 to December 31).
4. "Allowable Emissions" mean the emissions rate of a source calculated at full design capacity operating twenty-four (24) hours per day, every day of the annual accounting period or calculated at the operating time and/or other operating conditions specified in a permit, and the most stringent of the following:
 - (a) The applicable standards under these Regulations.
 - (b) The emission rate specified in a federally enforceable permit condition.
 - (c) If no allowable emission rate is specified in Section 25.9-B.4(a) or 25.9-B.4(b) above, the actual emissions rate will equal the allowable emission rate solely for the purposes of fee computation. The actual emission rate will be calculated as the maximum emissions expected at full design capacity operating twenty-four (24) hours per day, every day of the annual accounting period, or expected at the operating time specified in a legally enforceable permit.

5. "Actual Emissions" mean the actual rate of emissions in tons per year of any regulated pollutant emitted from a source over the annual accounting period or any other period determined by the Department to be representative of normal source operation and consistent with the fee schedule approved pursuant to this section. Actual emissions shall be calculated using the unit's actual operating hours, production rates, and in-place control equipment, types of materials processed, stored, or combusted during the preceding calendar year or such other time period established by the Department pursuant to the preceding sentence.
6. "Minor Source" means any source or group of sources located within a contiguous area, and under common control which is not a major source or synthetic minor source for the purposes of this rule.
7. "Major source" means any stationary source (or any group of stationary sources) that are located on one or more contiguous or adjacent properties, and are under common control of the same person (or persons under common control) belonging to a single major industrial grouping and that are described in paragraphs (a), (b), or (c) of this definition. For the purposes of defining "major source", a stationary source or group of stationary sources shall be considered part of a single industrial grouping if all of the pollutant emitting activities at such source or group of sources on contiguous or adjacent properties belong to the same Major Group (i.e., all have the same two-digit code) as described in the Standard Industrial Classification Manual, 1987.

(a) A major source under Section 112 of the Act, which is defined as:

(1) For pollutants other than radionuclides, any stationary source or group of stationary sources located within a contiguous area and under common control that emits or has the potential to emit, in the aggregate, 10 tons per year (TPY) or more of any hazardous air pollutant which has been listed pursuant to Section 112(b) of the Act, 25 TPY or more of any combination of such hazardous air pollutants, or such lesser quantity as the Administrator may establish by rule. Notwithstanding the preceding sentence, emissions from any oil or gas exploration or production well (with its associated equipment) and emissions from any pipeline compressor or pump station shall not be aggregated with emissions from other similar units, whether or not such units are in a contiguous area or under common control, to determine whether such units or stations are major sources; or

(2) For radionuclides, "major source" shall have the meaning specified by the Administrator by rule.

(b) A major stationary source of air pollutants, as defined in Section 302 of the Act, that directly emits or has the potential to emit, 100 TPY or more of any air pollutant (including any major source of fugitive emissions of any such pollutant, as determined by rule by the Administrator). The fugitive emissions of a stationary source shall not be considered in determining whether it is a major stationary source for the purposes of Section 302(j) of the Act, unless the source belongs to one of the following categories of stationary source:

(1) Coal cleaning plants (with thermal dryers);

- (2) Kraft pulp mills;
- (3) Portland cement plants;
- (4) Primary zinc smelters;
- (5) Iron and steel mills;
- (6) Primary aluminum ore reduction plants;
- (7) Primary copper smelters;
- (8) Municipal incinerators capable of charging more than 250 tons of refuse per day;
- (9) Hydrofluoric, sulfuric, or nitric acid plants;
- (10) Petroleum refineries;
- (11) Lime plants;
- (12) Phosphate rock processing plants;
- (13) Coke oven batteries;
- (14) Sulfur recovery plants;
- (15) Carbon black plants (furnace process);
- (16) Primary lead smelters;
- (17) Fuel conversion plants;
- (18) Sintering plants;
- (19) Secondary metal production plants;
- (20) Chemical process plants;
- (21) Fossil-fuel boilers (or combination thereof) totaling more than 250 million British thermal units per hour heat input;
- (22) Petroleum storage and transfer units with a total storage capacity exceeding 300,000 barrels;

- (23) Taconite ore processing plants;
- (24) Glass fiber processing plants;
- (25) Charcoal production plants;
- (26) Fossil-fuel-fired steam electric plants of more than 250 million British thermal units per hour heat input; or
- (27) Any other stationary source category, which as of August 7, 1980, is being regulated under section 111 or 112 of the Act;

(c) A major stationary source as defined in Part D of Title I of the Act, including:

- (1) For ozone non-attainment areas, sources with the potential to emit 100 TPY or more of volatile organic compounds or oxides of nitrogen in areas classified as "marginal" or "moderate", 50 TPY or more in areas classified as "serious", 25 TPY or more in areas classified as "severe", and 10 TPY or more in areas classified as "extreme"; except that the references in this paragraph to 100, 50, 25, and 10 TPY of nitrogen oxides shall not apply with respect to any source for which the Administrator has made a finding, under Section 182(f)(1) or (2) of the Act, that requirements under Section 182(f) of the Act do not apply;
- (2) For ozone transport regions established pursuant to Section 184 of the Act, sources with the potential to emit 50 TPY or more of volatile organic compounds;
- (3) For carbon monoxide non-attainment areas (1) that are classified as "serious", and (2) in which stationary sources contribute significantly to carbon monoxide levels as determined under rules issued by the Administrator, sources with the potential to emit 50 TPY or more of carbon monoxide; and
- (4) For particulate matter (PM-10) non-attainment areas classified as "serious", sources with the potential to emit 70 TPY or more of PM-10.

8. Reserved.

9. "Regulated Air Pollutant" means the following:

- (a) Nitrogen oxides or any volatile organic compounds;
- (b) Any pollutant for which a national ambient air quality standard has been promulgated;
- (c) Reserved;

(d) Any Class I or II substance subject to a standard promulgated under or established by Title VI of the Act; or

(e) Any pollutant regulated under Section 112 of the Act.

10. Reserved

11. "Synthetic Minor Source" means a source that would otherwise be considered a major source if it were not for federally enforceable permit limitations such as operating hours and/or production rates.

12. "Act" means the Clean Air Act, as amended, 42 USC 7401, et seq.

13. "TM-A Source" means a minor source (as defined in Section 25.9-B.6) which has a potential to emit of less than 25 tons per year for any regulated air pollutant and is not a GDF source (as defined in Section 25.9-B.15).

14. "TM-B Source" means a minor source (as defined in Section 25.9-B.6) which has a potential to emit of equal to or greater than 25 tons per year but less than 100 tons per year for any regulated air pollutant and is not a GDF source (as defined in Section 25.9-B.15).

15. "GDF Source" means a minor source (as defined in Section 25.9-B.6) that the only permitted activity is the storage and dispensing of gasoline into the fuel tank of a motor vehicle, motor vehicle engine, nonroad vehicle, or nonroad engine, including a nonroad vehicle or nonroad engine used solely for competition.

16. "PBR-A Source" means a synthetic minor source (as defined in Section 25.9-B.11) which accepted federally enforceable permit limitations contained in the Knox County Air Quality Management Regulations Sections 25.10 or 25.11 and has a potential to emit of less than 25 tons per year for any regulated air pollutant.

17. "PBR-B Source" means a synthetic minor source (as defined in Section 25.9-B.11) which accepted federally enforceable permit limitations contained in the Knox County Air Quality Management Regulations Sections 25.10 or 25.11 and has a potential to emit of equal to or greater than 25 tons per year but less than 80 tons per year for any regulated air pollutant.

18. "SM-A Source" means a synthetic minor source (as defined in Section 25.9-B.11) which has a potential to emit of less than 25 tons per year for any regulated air pollutant and is not a PBR-A source (as defined in Section 25.9-B.16).

19. "SM-B Source" means a synthetic minor source (as defined in Section 25.9-B.11) which has a potential to emit of equal to or greater than 25 tons per year but less than 80 tons per year for any regulated air pollutant and is not a PBR-B source (as defined in Section 25.9-B.17).

20. "SM-80 Source" means a synthetic minor source (as defined in Section 25.9-B.11) which has a potential to emit of equal to or greater than 80 tons per year but less than 100 tons per year for any regulated air pollutant.

C. General Provisions

1. A source must meet all provisions and limitations specified in the permit(s) for construction and operation of the source.
2. On or after the effective date of these regulations, all annual emission fees must be paid in full by the due date.
3. Any source exempted in Section 25.6 is exempt from the annual emission fee requirements of this Section 25.9. However, the emissions from any exempt source must comply with all rules and regulations of the Knox County Department of Air Quality Management.
4. Reserved
5. Reserved
6. Reserved
7. Reserved
8. Reserved

D. Reserved

E. Annual Emission Fees for Synthetic Minor Sources

1. An owner or operator of a synthetic minor source must pay an annual emission fee to the Department. The annual emission fee shall be based on the synthetic minor source's category as defined in Section 25.9-B.16 through 25.9-B.20.
2. Beginning January 1, 2017 all synthetic minor source annual emission fees are due and payable to the Department in full by September 30 of each year.
3. A newly constructed synthetic minor source beginning operation on or after January 1 shall not be assessed an annual emission fee during the remainder of the annual accounting period.
4. Beginning January 1, 2017 synthetic minor sources shall be assessed an annual emission fee in accordance with the following table. Each succeeding annual accounting period will have a new annual emission fee derived by adjusting the previous annual accounting period's annual

emission fee according to the Consumer Price Index published annually by the United States Department of Labor.

Source Category	Annual Emission Fee
PBR-A Source	\$250.00
PBR-B Source	\$750.00
SM-A Source	\$750.00
SM-B Source	\$1500.00
SM-80 Source	\$2500.00

F. Annual Emission Fees for Minor Sources

1. An owner or operator of a minor source must pay an annual emission fee to the Department. The annual emission fee shall be based on the minor source's type as defined in Section 25.9-B.13 through 25.9-B.15.
2. Beginning January 1, 2017 all minor source annual emission fees are due and payable to the Department in full by September 30 of each year. Beginning in January 1, 2018 all GDF source annual emission fees are due and payable to the Department in full by May 31 of each year.
3. A newly constructed minor source beginning operation on or after January 1 shall not be assessed an annual emission fee during the remainder of the annual accounting period.
4. Beginning January 1, 2017 minor sources shall be assessed an annual emission fee in accordance with the following table. Each succeeding annual accounting period will have a new annual emission fee derived by adjusting the previous annual accounting period's annual emission fee according to the Consumer Price Index published annually by the United States Department of Labor.

Source Category	Annual Emission Fee
GDF Source	\$350.00
TM-A Source	\$250.00
TM-B Source	\$750.00

5. Upon mutual agreement of the minor source and the Director, a more restrictive regulatory requirement may be established to reduce the potential to emit of the source and thus the annual emission fee. The more restrictive requirement must be specified on the permit, and must include the method used to determine compliance with the limitation. The documentation procedure to be followed by the source owner or operator must also be included to insure that the limit is not exceeded. Exceedances of the mutual agreement limit will be considered by the Department as circumvention of the required annual emissions fee and a matter in which enforcement action must be pursued.
6. To reduce the amount of the fee as provided in Section 25.9-F.5, the minor source must submit a letter to the Department requesting the reduced emissions limit or limits and providing the

method or methods that will be used to ensure compliance with the requested limit or limits. This request must be received at least ninety (90) days prior to the applicable due date of the annual emission fee. Any request received after that deadline may only apply to the fee for the following year and not for the year being invoiced.

7. Reserved

8. After January 1, 1995 and until December 31, 2016 sources shall be assessed an initial annual emission fee of \$29.26 per ton of regulated pollutant actual emissions, adjusted for the Consumer Price Index for calendar year 1994. The Department will assign each source a due date for the payment of annual emission fees. The minimum annual emission fee charged to a source will be no less than \$200.00 flat fee. Each succeeding annual accounting period will have a new assessment Rate derived by adjusting the previous annual accounting period's rate according to the Consumer Price Index published annually by the United States Department of Labor.

The minimum fee of initially \$ 200.00 as listed above will be adjusted and re-set each calendar year according to the Consumer Price Index published annually by the United States Department of Labor. The initial use of the \$ 200.00 minimum rate will be for fees assessed after January 1, 2008.

9. The owner or operator must pay an annual emission fee as per Section 25.9-F.8 until December 31, 2016. An annual emission fee will not be charged for Carbon Monoxide; or any pollutant that is a regulated air pollutant solely because it is a Class I or II substance subject to a standard promulgated under or established by title VI of the Act; or any pollutant that is regulated air pollutant solely because it is a subject to a standard or regulation under section 112(r) of the Act.
10. Where an emission limit for more than one (1) regulated pollutant is applicable to a compound or substance, the owner or operator must pay an annual emission fee for each specific regulated pollutant listed until December 31, 2016. The emissions for the regulated pollutants shall not be double counted.

G. Payment of Fees

1. All fees regulated by this section shall be payable to the Knox County Department of Air Quality Management.
2. Fees not paid, late fees, and returned checks are subject to the provisions of Section 25.9-H.
3. Returned checks for any reason (i.e. insufficient funds, account closed, etc.) are considered failure to pay until such time collected funds are forwarded to the Department. Returned checks are subjected to an additional \$20 handling charge.

H. Late Fees - Failure to Pay

1. The Director will not issue any certificate, permit, or other official document subject to a fee in this section until the required fee has been paid in full to the Department.
2. If any fee imposed under Section 25.9 is not paid within fifteen (15) days from the due date, a late payment penalty of five percent (5%) of the amount due shall at once accrue and be added thereto. Thereafter, on the first day of each month during which any part of any fee or any prior accrued late payment penalty remains unpaid, an additional late payment penalty of five percent (5%) of the then unpaid balance shall accrue and be added thereto. In addition, the fees not paid within fifteen (15) days after the due date shall bear interest at the maximum lawful rate from the due date to the date paid, compounded monthly.
3. Reserved
4. Reserved

I. Fees Adjustment

The Department may adjust a synthetic minor source's or minor source's annual emission fees to account for fees already paid for the remaining term of that source's last issued permit. “