

WSR 24-05-072
PROPOSED RULES
PUGET SOUND
CLEAN AIR AGENCY

[Filed February 20, 2024, 1:43 p.m.]

Original Notice.

Proposal is exempt under RCW 34.05.310(4) or 34.05.330(1).

Title of Rule and Other Identifying Information: Amend Regulation I, Section 5.07 (Annual Registration Fees).

Hearing Location(s): On March 28, 2024, at 8:45 a.m. The public hearing will be conducted via Zoom meeting <https://us02web.zoom.us/j/9128500665?pwd=dGhUdnU2Q0gzdHQxbTNTM01Nbl1MUT09>, Meeting ID 912 850 0665, Passcode 1904; or call-in 888-788-0099 US toll-free. The meeting can also be attended in person at the Puget Sound Clean Air Agency's (agency) office at 1904 3rd Avenue, Suite 105, Seattle, WA.

Date of Intended Adoption: April 25, 2024.

Submit Written Comments to: Betsy Wheelock, Puget Sound Clean Air Agency, 1904 3rd Avenue, Suite 105, Seattle, WA 98101, email RegUpdates@pscleanair.gov, fax 206-343-7522, by March 29, 2024.

Assistance for Persons with Disabilities: Contact agency reception, phone 206-343-8800, fax 206-343-7522, email RegUpdates@pscleanair.gov, by March 22, 2024.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: **Section 5.07:** The registration program fees, like the other fee programs of the agency (operating permit, notice of construction, and asbestos), are designed to recover the costs of implementing and administering the program. The last significant changes to the registration program fee schedule in Regulation I, Section 5.07 were made in 2023, and before that in 2012.

The agency reviews the registration program fee structure annually to determine if the fees collected are adequate to cover the costs of the program. This year, the proposed fee increases apply across the board to each fee category (excluding emission fees) to reflect the increases in total program costs. These increases are attributable to cost-of-living increases and inflationary impacts to other operational costs.

Increases in fees for the entire program were implemented in 2023. However, the fees remained unchanged from 2012 to 2023 as it was not necessary due to, among other things, closely managing program administration, implementing efficiencies, and relatively low inflationary impacts to the program costs. In the last three years, inflation has significantly increased the costs to the program and an adjustment is necessary for the upcoming budget development.

The financial information for fiscal year (FY) 2024 and the projections for FY 2025 indicate that without an increase in the registration fees, the revenues generated by the existing fee levels would be less than the annual budget for the program in FY 2025. Current expenses are also reflecting the effects of inflation as actual expenses are now projected to exceed the revenues invoiced for calendar year 2024. Left unchanged now, that would lead to deficits for the program that would continue to erode the funding for the program that would potentially produce a deficit at some point in FY 2025.

Based on the information discussed above, the proposed increase in registration fees is five percent across the board (all fee elements in the fee structure) except for emission fees. The emission fees, a \$/ton fee for reportable air pollutant emissions levels, are

proposed to remain unchanged. This recommendation regarding emission fee charges remaining unchanged will keep the emission fee charges equivalent to those for operating permit sources.

Reasons Supporting Proposal: The long-standing financial policy of the agency's board of directors is that fees support the costs of the compliance programs. These proposed annual registration fee changes are necessary to maintain consistency with that policy and this proposal is intended to cover increasing and future program costs based upon a reasonable evaluation of work needed to be performed by the agency for the registration program.

Statutory Authority for Adoption: Chapter 70A.15 RCW.

Statute Being Implemented: Chapter 70A.15 RCW.

Rule is not necessitated by federal law, federal or state court decision.

Name of Proponent: Puget Sound Clean Air Agency, governmental.

Name of Agency Personnel Responsible for Drafting: John Dawson, 1904 3rd Avenue, Suite 105, Seattle, WA 98101, 206-689-4060; Implementation and Enforcement: Steve Van Slyke, 1904 3rd Avenue, Suite 105, Seattle, WA 98101, 206-689-4052.

A school district fiscal impact statement is not required under RCW 28A.305.135.

A cost-benefit analysis is not required under RCW 34.05.328. RCW 34.05.328 does not apply to local air agencies, per RCW 70A.15.2040.

This rule proposal, or portions of the proposal, is exempt from requirements of the Regulatory Fairness Act because the proposal:

Is exempt under RCW 19.85.025(3) as the rules relate only to internal governmental operations that are not subject to violation by a nongovernment party; and rules set or adjust fees under the authority of RCW 19.02.075 or that set or adjust fees or rates pursuant to legislative standards, including fees set or adjusted under the authority of RCW 19.80.045.

Is exempt under RCW 19.85.011.

Explanation of exemptions: Chapter 19.85 RCW does not appear to apply to local air agencies.

Scope of exemption for rule proposal:

Is fully exempt.

February 20, 2024
Christine Cooley
Executive Director

AMENDATORY SECTION

REGULATION I SECTION 5.07 ANNUAL REGISTRATION FEES

(a) The Agency shall assess annual fees as set forth in Section 5.07(c) of this regulation for services provided in administering the registration program. Fees received under the registration program shall not exceed the cost of administering the program, which shall be defined as initial registration and annual or other periodic reports from the source owner providing information directly related to air pollution registration, on-site inspections necessary to verify compliance with registration requirements, data storage and retrieval systems necessary for support of the registration program, emission inventory reports and emission reduction credits computed from information provided by sources pursuant to registration program requirements, staff review, including engineering analysis for accuracy and currentness, of information provided by sources pursuant to registra-

tion program requirements, clerical and other office support provided in direct furtherance of the registration program, and administrative support provided in directly carrying out the registration program. Payment of these fees by the owner or operator of a source shall maintain its active registration status (even if it is not actively operating).

(b) Upon assessment by the Agency, registration fees are due and payable within 45 days of the date of the invoice. Registration fees shall be deemed delinquent if not fully paid within 45 days of the date of the invoice. Persons or sources that under-report emissions, fail to submit other information used to set fees, or fail to pay required fees within 90 days of the date of the invoice, may be subject to a penalty equal to 3 times the amount of the original fee owed (in addition to other penalties provided by chapter 70A.15 RCW).

(c) Except as specified in Section 5.07 (d) and (e) of this regulation, registered sources shall be assessed a fee of (~~(\$1,350)~~) \$1,418, plus the following fees:

(1) Sources subject to a federal emission standard as specified in Section 5.03 (a)(1) of this regulation shall be assessed (~~(\$2,450)~~) \$2,573 per subpart of 40 CFR Parts 60-63;

(2) Sources subject to a federally enforceable emission limitation as specified in Section 5.03 (a)(2) or meeting the emission thresholds specified in Section 5.03 (a)(3) of this regulation shall be assessed (~~(\$2,670)~~) \$2,804;

(3) Sources subject to the emission reporting requirements under Section 5.05(b) of this regulation shall be assessed \$30 for each ton of CO and \$60 for each ton of NOx, PM10, SOx, HAP, and VOC, based on the emissions reported during the previous calendar year;

(4) Sources with more than one coffee roaster installed on-site that are approved under a Notice of Construction Order of Approval shall be assessed (~~(\$2,670)~~) \$2,804;

(5) Sources of commercial composting with raw materials from off-site and with an installed processing capacity of <100,000 tons per year shall be assessed (~~(\$6,670)~~) \$7,004; and

(6) Sources of commercial composting with raw materials from off-site and with an installed processing capacity of ≥100,000 tons per year shall be assessed (~~(\$26,680)~~) \$28,014.

(d) Gasoline dispensing facilities shall be assessed the following fees based on their gasoline throughput during the previous calendar year (as certified at the time of payment):

- (1) More than 6,000,000 gallons. (~~(\$4,740)~~) \$4,977;
- (2) 3,600,001 to 6,000,000 gallons. (~~(\$2,355)~~) \$2,473;
- (3) 1,200,001 to 3,600,000 gallons. (~~(\$1,565)~~) \$1,643;
- (4) 840,001 to 1,200,000 gallons. (~~(\$785)~~) \$824;
- (5) 200,001 to 840,000 gallons. (~~(\$395)~~) \$415.

(e) The following registered sources shall be assessed an annual registration fee of (~~(\$165)~~) \$173, provided that they meet no other criteria listed in Section 5.03(a) of this regulation:

(1) Sources with spray-coating operations subject to Section 9.16 of this regulation that use no more than 4,000 gallons per year of total coatings and solvents;

(2) Gasoline dispensing facilities subject to Section 2.07 of Regulation II with gasoline annual throughput during the previous calendar year (as certified at the time of payment) of no more than 200,000 gallons;

(3) Motor vehicle and mobile equipment coating operations subject to Section 3.04 of Regulation II;

- (4) Unvented dry cleaners using perchloroethylene; and
- (5) Batch coffee roasters subject to notification under Section 6.03 (b) (11) of this regulation.