

**WSR 24-10-066**  
**PERMANENT RULES**  
**PUGET SOUND**  
**CLEAN AIR AGENCY**

[Filed April 26, 2024, 3:57 p.m., effective June 1, 2024]

Effective Date of Rule: June 1, 2024.

Purpose: Section 7.07: The operating permit program fees, like the other fee programs of the Puget Sound clean air agency (agency) (registration, notice of construction, and asbestos), are designed to recover the costs of implementing and administering the program. Changes to the operating permit fee schedule in Regulation I, Section 7.07 were made in 2022 and 2023, recognizing the cumulative effects of inflation. Prior to these actions, the last fee increases to Section 7.07 were made in 2012.

The current proposed changes are intended to further adjust fees to keep the revenues in balance with the level of effort to complete the compliance work associated with the operating permit program. While the revenue and expenses for the operating permit program have been roughly balanced for most of the past dozen years, the increasing costs to the program in the last few years and increasing level of effort for some types of work by the agency for certain aspects of the operating permit program need to be addressed through another adjustment to the fee schedule to ensure the agency does not reach a deficit condition.

The proposed changes include recategorizing municipal solid waste landfills from the middle tier base fee level to the highest tier base fee level. There are currently two landfills in the agency's air operating permit program: King County Cedar Hills Landfill and Pierce County Graham Landfill. This change reflects a financial equity adjustment based on the amount of staff time necessary to administer permitting and compliance with the sources in this category. The proposed amendments to the operating permit fee schedule also include cost increases for each base fee category of five percent. The consumer price index increase since the last operating permit fee increase is approximately five percent (up 21 percent over the past three years).

The proposed increase anticipates the effects of inflation will not readily ease and this proposal assumes the inflationary effects through the fiscal year 2025 time period (and the calendar year 2025 time period) will continue. The lag between proposed fee increases and the actual billings that reflects that revenue have also been considered in this proposal. 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 registration program sources. Additionally, no changes are proposed for the fee elements that relate to permit issuance transactions.

Citation of Rules Affected by this Order: Amending Regulation I, Section 7.07 (Operating Permit Fees).

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

Adopted under notice filed as WSR 24-05-073 on February 20, 2024.

Date Adopted: April 25, 2024.

Christine Cooley  
Executive Director

**AMENDATORY SECTION**

REGULATION I SECTION 7.07 OPERATING PERMIT FEES

(a) The Agency shall assess annual operating permit fees as set forth in Section 7.07(b) below to cover the cost of administering the operating permit program.

(b) Upon assessment by the Agency, the following annual operating permit fees are due and payable within 45 days of the invoice date. They shall be deemed delinquent if not fully paid within 90 days of the date of the invoice and will be subject to an additional delinquent fee equal to 25% of the original fee, not to exceed \$8,125. In addition, persons knowingly under-reporting emissions or other information used to set fees, or persons required to pay emission or permit fees who are more than 90 days late with such payments 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).

(1) Sources in the following North American Industry Classification System (NAICS) codes (*North American Industry Classification System Manual*, U.S. Executive Office of the President, Office of Management and Budget, 2012), or sources subsequently determined by the control officer to be assigned to either Section 7.07 (b) (1) (i) or 7.07 (b) (1) (ii) shall be subject to the following facility fees:

(i) Operating permit sources with the following NAICS codes:

NAICS	NAICS Description Fee
221112	Fossil Fuel Electric Power Generation
324110	Petroleum Refineries
327213	Glass Container Manufacturing
327310	Cement Manufacturing
331110	Iron and Steel Mills and Ferroalloy Manufacturing
336411	Aircraft Manufacturing
336413	Other Aircraft Parts and Auxiliary Equipment Manufacturing
<u>562212</u>	<u>Solid Waste Landfill</u>
928110	National Security
..... (( <del>\$83,650</del> )) <u>\$87,833</u>	

(ii) Operating permit sources with the following NAICS codes:

NAICS	NAICS Description Fee
311119	Other Animal Food Manufacturing
311812	Commercial Bakeries
321912	Cut Stock, Resawing Lumber, and Planing
321918	Other Millwork (including Flooring)
321999	All Other Miscellaneous Wood Product Manufacturing
322220	Paper Bag and Coated and Treated Paper Manufacturing
326140	Polystyrene Foam Product Manufacturing
332996	Fabricated Pipe and Pipe Fitting Manufacturing
..... (( <del>\$20,910</del> )) <u>\$21,956</u>	

(iii) Operating permit sources with NAICS codes other than listed above. . . . . ((~~\$41,830~~)) \$43,922

(2) Additional emission rate fees shall be paid in addition to the annual operating permit fees of Section 7.07 (b) (1):

\$30 for each ton of CO reported in the previous calendar year, and

\$60 for each ton of NOx reported in the previous calendar year,  
and  
\$60 for each ton of PM10 reported in the previous calendar year,  
and  
\$60 for each ton of SOx reported in the previous calendar year,  
and  
\$60 for each ton of VOC reported in the previous calendar year,  
and  
\$60 for each ton of HAP reported in the previous calendar year.

(c) In addition to the fees under Sections 7.07 (b) (1) and (b) (2) above, the Agency shall, on a source-by-source basis, assess the following fees:

- (1) \$500 for administrative permit amendments [WAC 173-401-720],  
and
- (2) for minor permit modifications [WAC 173-401-725 (2) and (3)],  
a fee equal to 10% of the annual operating permit fee, not to exceed \$8,125, and
- (3) for the original issuance [WAC 173-401-700], significant modification [WAC 173-401-725(4)], reopening for cause [WAC 173-401-730], or renewal [WAC 173-401-710] of an operating permit, a fee equal to 20% of the annual operating permit fee, not to exceed \$16,250, and
- (4) to cover the costs of public involvement under WAC 173-401-800, and
- (5) to cover the costs incurred by the Washington State Department of Health in enforcing 40 CFR Part 61, Subpart I and chapter 246-247 WAC.

(d) In addition to the fees described under Sections 7.07 (b) and (c) above, the Agency shall collect and transfer to the Washington State Department of Ecology a surcharge established by the Department of Ecology under chapter 173-401 WAC to cover the Department of Ecology's program development and oversight costs.

(e) Continued payment to the Agency of the annual operating permit fee maintains the operating permit and the status of the source as an operating facility.