

REQUEST FOR COMMENTS

May 12, 2004

TO: INTERESTED PARTIES
FROM: EXECUTIVE OFFICER/APCO
SUBJECT: PROPOSED AMENDMENTS TO REGULATION 3: FEES

On April 2, 2004, the District issued a revised proposal to amend the District's fee regulation, and a workshop and public hearing were held on this proposal later in the month. Based on public comments received, and input from the District's Board of Directors, District staff are now proposing further revisions to Schedule P, Major Facility Review (MFR) Fees. **Comments on this proposal should be made in writing to the District by May 28, 2004.**

The purpose of the new proposal is to maintain the same increase in projected revenue for Title V fees as was included in the April 2 proposal, but to collect a greater percentage of this revenue from application fees versus annual fees. This approach will provide greater equity in that facilities that submit more frequent applications that require the District to revise their MFR permits will pay higher fees relative to less active facilities. Details of the new proposal follow.

1. MFR/Synthetic Minor annual fees would be increased from existing levels by 20 percent as follows:
 - a. MFR Source Fee: From \$155 to \$186 per source.
 - b. MFR Emissions Fee: From \$6.10 to \$7.32 per ton of regulated air pollutants emitted.
 - c. MFR/Synthetic Minor Monitoring Fee: From \$1548 to \$1858 per monitor per pollutant.
2. MFR application fees would be established as follows:
 - a. MFR FILING FEE \$259 per application
 - b. MFR INITIAL PERMIT FEE \$250 per source
 - c. MFR ADMINISTRATIVE AMENDMENT FEE \$73 per application
 - d. MFR MINOR REVISION FEE \$368 per source modified
 - e. MFR SIGNIFICANT REVISION FEE \$686 per source modified
 - f. MFR REOPENING FEE \$224 per source modified
 - g. MFR RENEWAL FEE \$109 per source
 - h. MFR PERMIT SHIELD FEE \$386 per shielded source or group of sources

These fees cover each specific type of MFR permit action specified under District Regulation 2, Rule 6: Major Facility Review. The existing MFR application fees in Schedule P are a fee for any MFR revision (\$152 per modified source) and a permit shield fee (\$386 per shielded source, which is not to be changed).

The fees for initial MFR permits, administrative amendments, minor revisions, significant revisions, reopenings, and renewals were based on an analysis of the average District resources required for each of these permit actions. The fees do not represent full cost recovery for these actions, but rather are based on a set percentage of full cost recovery necessary to achieve a target revenue figure for MFR applications.

3. An additional fee for public hearings held for MFR permits is proposed. The permit applicant would be required to reimburse the District for the cost of a public hearing up to a maximum amount of \$5000. In addition, applicants would be required to reimburse the District for the cost of distributing public hearing notices.

Visit the District's Website for More Information

This notice, the proposed amendments to Regulation 3, and a draft staff report are available on the District's website at www.baaqmd.gov. Questions should be directed to Brian Bateman, Director of Engineering, at (415) 749-4653. Comments on the proposed amendments should be submitted in writing no later than May 28, 2004 to:

Brian Bateman
Bay Area Air Quality Management District
939 Ellis St.
San Francisco, CA 94109

Comments may also be sent electronically to bbateman@baaqmd.gov.