



MISSISSIPPI DEPARTMENT OF
ENVIRONMENTAL QUALITY

**Title V Program
Resource Needs and Fee Recommendation**

State Fiscal Year 2020

DRAFT REPORT

TABLE OF CONTENTS

I. EXECUTIVE SUMMARY	3
A. REVIEW OF TITLE V PERMIT FEE RATES, BILLABLE TONS, AND REVENUE	3
B. FEE RECOMMENDATION.....	4
II. FISCAL YEAR 2020 WORKPLANS.....	5
A. PERMITTING	5
B. COMPLIANCE AND ENFORCEMENT	6
C. AIR PLANNING.....	7
D. FEE INVENTORY AND CALCULATIONS.....	8
E. AIR TOXICS	8
F. AIR EMISSIONS INVENTORY.....	9
G. SMALL BUSINESS TECHNICAL ASSISTANCE PROGRAM.....	11
III. FISCAL YEAR 2020 STAFFING NEEDS.....	12
IV. FISCAL YEAR 2020 REQUESTED EXPENDITURES	13

I. EXECUTIVE SUMMARY

The Mississippi Department of Environmental Quality (MDEQ) prepares an annual report for the Title V Advisory Council which contains the Title V permit fee recommendation for the next fee period. This report includes an explanation and documentation supporting the fee recommendation. MDEQ conducted a review of the Title V fund balance, the Title V work plan, estimated revenues, projected expenditures and estimated air emission tonnage, and prepared a report to establish the Title V permit fee recommendation for Fiscal Year 2020.

A. REVIEW OF TITLE V PERMIT FEE RATES, BILLABLE TONS, AND REVENUE

The following is a review of Title V permit fee rates, billable tons, and revenues:

Title V Program Review				
Fiscal Year	Rate Per Ton	Projected Billable Tons	Year End Actual Billable Tons	Actual Revenue*
1996	\$16	262,951	237,408	\$3,743,477
1997	\$16	246,468	215,340	\$3,339,391
1998	\$16	224,405	215,352	\$2,998,762
1999	\$22	217,817	214,421	\$3,928,800
2000	\$20	199,057	195,000	\$3,838,643
2001	\$20	199,596	191,182	\$3,635,281
2002	\$21	204,596	197,445	\$4,146,355
2003	\$25	212,897	189,035	\$5,023,148
2004	\$31	189,035	194,466	\$5,683,128
2005	\$31	172,054	172,836	\$5,044,002
2006	\$31	178,400	174,446	\$5,109,747
2007	\$31	178,400	174,325	\$4,746,492
2008	\$31	162,451	157,299	\$4,876,274
2009	\$36	162,451	147,782	\$6,461,552
2010	\$36	137,702	137,362	\$5,021,071
2011	\$36	125,298	123,830	\$4,457,888
2012	\$36	128,619	130,352	\$4,692,685
2013	\$36	128,960	131,987	\$4,751,519
2014	\$41	126,966	126,966	\$4,516,343
2015	\$41	120,100	121,606	\$4,985,849
2016	\$41	112,358	113,323	\$4,646,223
2017	\$47	104,671	106,132	\$4,988,215
2018	\$47	92,639	93,783	\$4,407,792
2019	\$47	84,496	84,496(est.)	\$3,975,652(est.)

**Actual revenue is not the product of the rate per ton times projected billable tons. Amounts may include collection of fees owed from previous years and penalties/late payments.*

B. FEE RECOMMENDATION

Calculation of Fee Requirement

Estimated FY2019 Fund Balance	\$1,059,608
Projected FY2020 Revenue	\$ 3,971,312
Projected FY2020 Interest Income	\$ 25,000
Estimated FY2020 Available Funds	\$ 5,055,920
Estimated FY2020 Expenditures	\$ 4,569,394
Estimated FY2020 Fund Balance	\$ 486,526
Fee per Ton with no Maximum Fee	\$ 47

It is recommended that the Title V permit fee be set at \$47 per ton with no maximum fee per facility.

The estimated fund balance at the end of FY2019 is \$1,059,608. This will be applied to expenditures in the beginning of FY2020 before revenue is received. To achieve the estimated fund balance of \$486,526 at the end of FY2020, the Title V program will limit spending to 85% of the actual MDEQ budget shown on page 13. This fund balance is minimal and will not cover all program expenses before fee revenue is received.

II. FISCAL YEAR 2020 WORK PLANS

Fiscal Year 2020 work plans were developed for Title V functional areas to include Permitting, Compliance and Enforcement, Air Planning, Fee Inventory and Calculations, Air Toxics, Air Emissions Inventory, and Small Business Technical Assistance. Work in these functional areas is provided by the Air Division, Environmental Permits Division (EPD), Field Services Division, and Environmental Compliance and Enforcement Division (ECED) of the Office of Pollution Control. Additionally, the Office of Community Engagement assists small businesses as authorized by the Title V program.

A. PERMITTING

For FY2020, approximately 269 sources are expected to be operating facilities subject to the requirements of the Title V of the Federal Clean Air Act which requires an operating permit to be issued to certain types of facilities. Title V operating permits are issued for existing major sources and modifications at these sources, while SMOPs are issued to existing major sources that take restrictions to reduce potential emissions below the Title V applicability thresholds. There are different types of Title V modifications to the permits. These are classified as significant modifications, minor modifications, 502(b)(10) changes, and administrative amendments. Environmental Permitting Division (EPD) activities include issuance of Title V operating permits and first time synthetic minor operating permits (SMOP), source identification, pre-application meetings, application reviews, permit drafting, and public participation efforts. The table below projects workload for state fiscal year 2020 based on the number of sources and historical trends within the program.

Permitting review work continues to increase due to court rulings that impact regulations and permit conditions; new and modified EPA regulations that have to be implemented; and complex modification requests and consent decrees that have to be incorporated into permits. Additionally, the permitting staff is devoting more resources in community outreach as the general public becomes more engaged in discussion about air issues and the Title V permitting process in their communities.

Estimated FY2020 Title V Activities

	Received During Year	Completed During Year
Title V First Time Permits	5	4
SMOP First Time Permits	16	9
Title V Renewals	43	35
Significant Modifications	9	6
Minor Modifications	21	9
502(b)(10) Modifications	61	61
Administrative Amendments	15	8

B. COMPLIANCE AND ENFORCEMENT

The Environmental Compliance and Enforcement Division's (ECED) activities associated with Title V facilities include inspections, database updating, compliance assurance, complaint investigations, enforcement, general assistance, and outreach activities.

ECED places significant focus on Title V sources. Mississippi has approximately 269 operating Title V major facilities. To ensure compliance with regulatory and permit requirements, ECED generally inspects 50% of the Title V sources every year (~135 inspections). However, inspections only make up a portion of ECED's Title V compliance activities. Most Title V facilities must also submit Semi-Annual Monitoring Reports (SMR), an Annual Compliance Certification (ACC), and stack test reports for review by ECED. The table below is a breakdown of anticipated compliance-related tasks associated with the existing universe of Title V facilities.

ECED is responsible for transmitting required Air data to EPA's ICIS-Air database. Responsibilities include:

- Quality assurance functions for Air data in EPA's ICIS-Air. This is accomplished by working closely with EPD and ECED air staff and management to reconcile discrepancies between data in MDEQ's State system and data in EPA's ICIS-Air and running quality assurance reports so EPD and ECED management can ensure timely and complete entry of data into ICIS-Air.
- Ensuring the timeliness of data transmitted from MDEQ's State system to EPA's ICIS-Air. MDEQ's Standard Operating Procedures state that data is to be entered into the State system within five (5) days of receipt of complete data from the Environmental Permits Division (EPD) or the Environmental Compliance and Enforcement Division (ECED).
- Participation in programmatic meetings, conferences and calls as needed in support of Air data in enSite and ICIS-Air.

Estimated FY2020 Title V Activities

Inspection of Title V Facilities	135
SMR Reviews	538
ACC Reviews	269
Stack Test Reviews	550

C. AIR PLANNING AND REGULATION DEVELOPMENT

The Department of Environmental Quality is responsible for the development and adoption of state regulations to incorporate the requirements of the Clean Air Act (CAA). This is accomplished through the state's rulemaking process in conjunction with federal approval of state plans and programs. A federally approved State Implementation Plan (SIP) is required to demonstrate the state's ability to attain and maintain National Ambient Air Quality Standards (NAAQS). A revision to the SIP is necessary when a new or revised NAAQS is established or when federal regulations designed to protect the NAAQS are amended. Section 111(d) of the CAA requires states to submit plans for approval that establish and provide for the implementation and enforcement of standards of performance for existing sources of air pollution not otherwise regulated. Other CAA requirements are implemented through various agreements and approvals from EPA.

Air planning efforts also include the annual resource evaluation and fee setting for the Title V program. Finally, it is the Air Division's responsibility to provide the Environmental Permits Division and the Environmental Compliance and Enforcement Division necessary training regarding permitting and compliance issues and to communicate information obtained from Regional and National meetings.

Estimated FY2020 Title V Activities

Major SIP Revisions	Continue to work on air quality issues such as the Regional Haze rules, SO ₂ Data Requirements Rule verification, the revised ozone and fine particulates NAAQS, and ozone transport.
Minor SIP Revisions	Make amendments and revisions to air regulations to include updates to NSPS, NESHAP, Title V, PSD and new source nonattainment review regulations.
Planning Work	SO ₂ Data Requirements Rule verification, the revised ozone NAAQS, ozone transport, emission guidelines for existing municipal solid waste landfills, emission guidelines for existing electric utility generating units (EGUs) established in the Affordable Clean Energy (ACE) rule, and necessary changes to state air regulations.
111(d) State Plan Development	Begin developing state plans, including new regulation language, to implement the emission guidelines for existing EGUs established in the ACE rule.
Outreach	Due to the unique nature of the emission guidelines for existing EGUs, significant outreach and collaboration with other state agencies, stakeholders, nongovernmental organizations, and the general public will be necessary.

D. FEE INVENTORY AND CALCULATIONS

Title V facilities are required to pay an annual permit fee to cover the cost of the permit program. Facilities elect to have their fee calculated based on either actual or allowable emissions. If actual emissions are chosen, the facility must submit an annual report to MDEQ documenting the actual emissions from the facility for the previous calendar year. This report is referred to as the Annual Emissions Reporting Form (AERF). The Air Support Branch maintains the Title V Fee inventory, which is updated each time a permitting action occurs. The Branch also reviews all annual reports, or AERFs, submitted to the Department in support of fees based on actual emissions.

Estimated FY2020 Title V Activities

Title V Emission Inventory Updates	49
Annual Emission Reporting Form Reviews	269
Title V Invoices Processed	269

E. AIR TOXICS

Many facilities are regulated for air pollutants known as hazardous air pollutants (HAP) because these air pollutants may cause acute or chronic health conditions. HAP emissions are primarily controlled or reduced through regulations that are called Maximum Achievable Control Technology (MACT) standards. Impacted facilities generally must install additional control equipment or change process equipment and materials to reduce HAP emissions. These standards or emission limitations are based upon the application of best-demonstrated emission control technology.

There are numerous MACT standards that are implemented. Affected are 174 different source categories of major HAP emission facilities and 70 source categories of smaller HAP emitting facilities, or area sources. The regulated universe of facilities and requirements are ever changing, particularly with regulation revisions and the construction of new facilities. The types of affected facilities range from very large chemical plants and petroleum refineries to small dry-cleaning facilities, gasoline stations, and even small auto body repair shops.

Air toxic activities also include the implementation of accidental release prevention regulations. These regulations apply to facilities with certain chemicals that could be very dangerous to public health and the environment in the event of a chemical accident or uncontrolled release. Facilities with chemicals in amounts above de minimis levels must employ process safety measures and controls, and plan for the possibility of an

accidental chemical release that could endanger public safety. A regulated facility's planning and procedures to prevent and mitigate chemical accidents must be outlined in a Risk Management Plan (RMP) that is submitted for agency review. Activities also include compliance monitoring inspections of regulated facilities. The accidental release prevention regulations were recently revised to include additional requirements for regulated facilities which are scheduled to go into effect this year.

Estimated FY2020 Title V Activities

MACT Source Categories	174
Major Source MACT Standards	100
Area Source Categories	70
Area Source Standards	48
Plan Reviews (Anticipated)	30
Air Toxics Inspections (Anticipated)	50

F. AIR EMISSIONS INVENTORY

An air emissions inventory is maintained to account for air emissions from major Title V sources. This inventory accounts for both potential (or allowable) emissions and actual emissions.

Emission Inventory Development

An inventory of potential (i.e. allowable) emissions for sources is developed and/or updated each time a permitting action takes place. In addition to updating potential emissions, a permitting action may require emission points, Standard Classification Code (SCC) codes, stacks, and controls to be added or updated. Potential emissions for criteria pollutants are tracked on each emission points and potential emissions for hazardous air pollutants (HAPs) are tracked at the facility level.

Each year, Mississippi is required to report air emissions and emission related information from major Title V sources to EPA by the Air Emissions Reporting Rule (AERR). The pollutants that need to be reported are particulate matter, sulfur dioxide, nitrogen oxides, carbon monoxide, lead, volatile organic compounds, ammonia, and HAPs. To accomplish this, a detailed reporting form is sent to the facilities for them to report their actual emissions. Actual emissions for both criteria pollutants and HAPs are accounted for on an emission point level. EPA has increased the particulate matter reporting

requirements to included filterable and condensable particulate matter along with PM10 and PM2.5 for each emission point. The information from the AERR form is entered into a database and checked to ensure that it is correct. If not, or if there are questions, then the facility is contacted to correct the report. The data will then be submitted to EPA Emissions Inventory System (EIS) by December 31 of each year. The information is also used and provided as needed for air quality analysis and planning. During FY2020, the 2018 inventory will be submitted and the 2019 inventory reporting request will be sent to the Title V sources. In addition, the 2017 inventory was a complete year of inventory requiring all major facilities to submit inventories. The submittal will be made in FY2019; however, MDEQ will continue to work with EPA to address and correct any issues with the inventory during FY2020.

Emissions Requests

Both the potential and annual actual emissions inventories for major sources are requested periodically, and upon request, the information queried is provided to the requesting parties. Most of the time, these requests are made for permit modifications at Title V Sources. MDEQ uses the data for major SIP revisions, air quality analysis, and in permitting, while EPA uses the emission inventories for air toxics modeling, developing MACT standards and other EPA standards.

SIP Development and Implementation

The group helps in planning and implementation of rules addressing the impact of air emissions occurring in Mississippi but impacting non-attainment areas outside of the state. Addressing these issues is a requirement called the "Good Neighbor" provision in the Clean Air Act. Generally, electric generating units and other large sources of nitrogen oxide emissions are targeted in these rules.

Estimated FY2020 Title V Activities

Emissions Inventory Updates	95
Annual Emissions Inventory Facility Submittals	50
Emissions Inventory Requests	10
SIP Inventories	1
Transport rule planning and implementation.	1

G. SMALL BUSINESS TECHNICAL ASSISTANCE PROGRAM

Title V services performed by the Small Business Stationary Source Technical and Environmental Compliance Assistance Program are mandated under Section 507 of the Clean Air Act. Components of this program include the Small Business Ombudsman, the Small Business Assistance Program, and the Compliance Advisory Panel (CAP). Mississippi's Program provides free confidential assistance. A small business is one which has 100 or fewer employees, is not a major stationary source, and meets the federal Small Business Act's definition of a small business. Services are provided in accordance with the State Implementation Plan to include the following:

- Technical staff reviews regulations, determines potentially impacted sources/small businesses, develops a strategy for notification and assistance, develops compliance assistance tools, conducts training programs and works with regulatory programs on outreach activities. Technical staff also works with enforcement and other divisions to identify areas with compliance issues in order to develop compliance assistance strategies. Additional assistance is provided online and through telephone call inquiries from customers. A toll-free hotline exists and is managed by the Small Business Ombudsman and contracted staff assistance.
- Title V permitting and compliance assistance is provided by contract through an approved consultant. Consultant(s) are accompanied by the Small Business Technical Assistance Coordinator during site visits. All onsite visits are coordinated by the Small Business Technical Assistance Coordinator.

Outreach and education projects, consisting of workshops, meetings and speaking engagements, are conducted year-round by the Small Business Environmental Assistance Program and contract staff. Workshops, held at different locations across the state, target specific industries concerning existing or upcoming regulations that affect them. Outreach and education projects are performed on a continual basis and in phases.

Changes to new and existing federal and state environmental rules and regulations require that the Program disseminate information packets containing explanations of the regulations and other technical materials to any business that may be affected by a rule or regulation change. Dissemination of this information may result in the mailing of tens to several thousand notifications to potentially affected business owners. In addition, recently amended rules are annually revisited in order to ensure that small businesses remain compliant and have implemented what they learned during past workshops and training events hosted through this program.

Estimated FY2020 Title V Activities

Technical Assistance	250
Outreach and Education	150

III. FISCAL YEAR 2020 TITLE V STAFFING NEEDS

Staffing Requirements

The following table summarizes the staffing requirements that provide the basis for personal service expenditure estimates in the Fiscal Year 2020 budget projection.

Functions	Budget Code	Number FTEs
PERMITTING	9045	11.95
COMPLIANCE AND ENFORCEMENT *	9044	12.91
AIR PLANNING	4044	5.71
AIR TOXICS	4044	3.39
AIR EMISSIONS INVENTORY	4044	4.60
FEE INVENTORY AND CALCULATIONS	4044	0.80
SMALL BUSINESS TECHNICAL ASSISTANCE PROGRAM	0044	2.50

* Also assisted by Field Services Budget Codes 1044, 3044, 5044, 6044, 7044.

IV. FISCAL YEAR 2020 REQUESTED EXPENDITURES

MDEQ is projected to spend \$4,569,394 on the Title V program by limiting expenditures to 85% of the budget during FY2020. The actual MDEQ Title V budget in dollars is shown below.

Fiscal Year 2020 Budget									
Budget Code	Salary	Fringe	Travel	Contract	Supplies	Equip	SL&G	Indirect	Total
1044	4,294	1,402	0	0	0	0	0	3,084	8,780
4044	847,012	276,549	20,000	100,000	18,000	7,200	200,000	608,184	2,076,945
5044	5,386	1,759	1,000	1,000	2,000	2,000	0	3,868	17,013
6044	391	128	100	100	100	0	0	281	1,100
7044	2,409	787	300	100	250	0	0	1,730	5,576
9044	685,446	223,798	30,000	35,100	20,000	19,325	13,439	492,174	1,519,282
9045	702,883	229,491	15,000	240,000	20,000	35,000	0	504,694	1,747,068
TOTAL	2,247,820	733,913	66,400	376,300	60,350	63,525	213,439	1,614,012	5,375,758