UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 8
1595 Wynkoop Street
Denver, CO 80202-1129
Phone 800-227-8917
www.epa.gov/region8

Ref: 8ARD-PM

Mr. Kyrik Rombough
Department of Agriculture and Natural Resources
Joe Foss Building
523 East Capitol Avenue
Pierre, South Dakota 57501-3182

Re: Fourth-Round Title V Program Review – Final Report

Dear Mr. Rombough:

Enclosed is the U.S. Environmental Protection Agency Region 8's fourth-round program review final report for South Dakota's Clean Air Act Title V Operating Permit Program. No comments were submitted by your office on the draft report. The objective of the fourth-round Title V program review was to follow up on issues raised during the third-round program review, identify best practices that other agencies can learn from, document any areas needing improvement, and learn how the EPA can help improve state and local Title V Programs and expedite permitting. We greatly appreciate the cooperation of your office in the preparation of this report.

If you have any questions concerning the enclosed report, your staff may contact Carson Coate, of my staff, at (406) 457-5042 or at coate.carson@epa.gov.

Sincerely,

1/10/2022

X Carl Daly

Signed by: CARL DALY
Carl Daly
Acting Director
Air and Radiation Division

Enclosure

South Dakota Department of Agriculture and Natural Resources
Title V Program Review

FINAL REPORT

December 2021

Conducted by

United States Environmental Protection Agency
Region 8

TABLE OF CONTENTS

Executive Summary

In May 2021, the U.S. Environmental Protection Agency (EPA) verbally notified the South Dakota Department of Agriculture and Natural Resources (DANR) that they were selected for a Title V Operating Permit Program Review. In addition to this notification, the EPA sent written correspondence to DANR on June 1, 2021, commencing the fourth-round Title V Program Review. Included in this correspondence was the fourth-round Title V Questionnaire and Fiscal Tracking Evaluation Form to be completed by DANR.

The purpose of the program review was to evaluate DANR's implementation of the operating permit program, note practices that would benefit other agencies, document areas needing improvement and learn how the EPA could assist in the future, if needed. The EPA conducted these program reviews as part of its obligation to oversee and review state programs it approved for implementing the Title V Program.

The EPA conducted similar reviews in 2006, 2012 and 2015. This review was conducted remotely due to the Coronavirus Pandemic. DANR's responses to the Title V Questionnaire and Fiscal Tracking Evaluation Form were the basis of the EPA's review along with the EPA's ongoing review of operating permits issued by DANR.

Conclusions

The EPA's third-round review did not identify any significant deficiencies, and therefore, there are no findings or recommendations to follow up on in this review. The DANR continues to provide the EPA with all the permits issued by their Title V Program. Further, DANR's Title V Program provided all the necessary information for the EPA to conduct a thorough review. The EPA did not find any areas of concern during the fourth-round review of DANR's Title V Program and believes DANR runs an effective Title V Program.

Introduction

The EPA conducted this program review as part of its obligation to oversee and review state title V operating permit programs that have been approved by the EPA, and in response to recommendations from an audit conducted in July 2002 by the EPA's Office of Inspector General.

The state of South Dakota operates a fully EPA approved program that allows it to implement the requirements of Title V of the Clean Air Act (CAA), including the issuance of operating permits. The EPA has a statutory responsibility to oversee the programs it has approved by performing oversight duties, including occasional program reviews. Such responsibilities include overseeing the activities of a state program to ensure that local, regional, and national environmental goals and objectives meet minimum requirements outlined by the federal regulations.

Objective of the Program Review

Following the completion of the first, second and third round of state program reviews, the EPA nationally committed to continuing scheduled Title V Program Reviews. The objectives of the fourth-round review are to: (1) conduct a follow-up to the third-round reviews by ensuring that any EPA or state concerns identified during the third-round reviews have been addressed or are being addressed satisfactorily; (2) identify and document good practices that can benefit other permitting authorities; (3) document any areas of concern that need improvement; and (4) learn how the EPA may assist state and local permitting authorities.

Program Review History

The first-round review was conducted in response to recommendations from a 2002 audit performed by the Office of Inspector General. The EPA conducted its first-round review of DANR's Title V Program in 2006. The EPA sent a nationally standardized Title V Program Evaluation Questionnaire and Fee Questionnaire to the DANR to be completed and returned to the EPA. After reviewing DANR's responses to the questionnaires, the EPA scheduled an on-site visit to conduct interviews and file reviews. A final report was issued in September 2006 that outlined the EPA's findings for DANR's Title V Program.

The second-round review was done in 2012 and focused primarily on: (1) assessing and documenting DANR's progress in areas where the EPA had previously identified as areas needing improvements; (2) assessing permitting authorities' evaluation of EPA's effort in providing additional assistance to improve its Title V operating programs; (3) identifying continued improvements in the program's previously identified strong attributes; (4) identifying new good practices by the state since the first round review; and (5) conducting a Title V Operating Permit Program Fee Audit.

The third-round review was completed in 2015 and the EPA found that the DANR had addressed those issues identified as needing improvement during the first two reviews. The EPA did not identify any significant deficiencies in its third-round review of DANR's Title V Program.

Program Review Process

In May 2021, the EPA verbally notified the DANR that they were selected for a Title V Program Review. In addition to this notification, the EPA sent written correspondence to the DANR on June 1, 2021 commencing the fourth-round Title V Program Review. Included in this correspondence was the fourth-round Title V Questionnaire and Fiscal Tracking Evaluation Form to be completed by the DANR. By providing these documents at the beginning of the review, the DANR had an opportunity to see what information would be sought during the review and to ask any clarifying questions. In a normal year, the EPA requests that these documents be returned in 60 days which allows the EPA time to review the permitting authority's responses and schedule on-site meetings and file reviews. No on-site meetings or file reviews were scheduled during this year's review due to the Coronavirus Pandemic.

The fourth-round Title V Program Review primarily focused on DANR's responses to the Title V Questionnaire and the Fiscal Tracking Evaluation Form (Attachments 1 and 2, respectively) along with EPA's ongoing review of the operating permits issued by the DANR. The Title V

Questionnaire focuses on those things inherent to permit issuance such as: Title V procedures that may have changed since the last review; permits issued within regulatory timeframes; public participation; Title V petitions; and DANR's relationship with the EPA. The Fiscal Tracking Evaluation Form is used to audit Title V Fees by determining if the following are satisfied:

- Sources are being billed in accordance with fee requirements and are paying the required fees;
- Division of expenses is identified by the DANR between Title V and non-Title V programs;
- Features are integrated into DANR's accounting/financial management system which will identify Title V revenue and expenditures separate from other funding, and produce management reports that certify the disposition of Title V funds; and
- Title V fees collected from sources are used by the DANR to pay for the entire Title V Program and no such fees are used as match to DANR's CAA Section 105 Air Program grant.

Ultimately, the EPA has two main reasons for conducting these periodic reviews. First, the EPA seeks to effectively perform its regulatory oversight obligation under the CAA. Second, the EPA hopes such reviews will improve communications and relationships between the EPA and the permitting authority.

Follow-up to Third-Round Review

The EPA found no significant deficiencies during the third-round review of DANR's Title V Program. The DANR provided all the necessary information to conduct the review and the EPA determined that the DANR was meeting the requirements of the 40 CFR part 70 (Part 70) regulations. Therefore, there are no follow-up items to discuss. However, the EPA did provide DANR with some recommendations during the third-round review regarding public notices and assigning air facility-wide system identification (AFS) numbers. In response to the EPA's recommendations, DANR created a public notice template which includes a link to DANR's website and the public comment deadlines for all issued permits. DANR also explained their process for issuing AFS numbers.

Fourth-Round Review's Findings and Comments

What does the state think it's doing especially well in the Title V Program?

DANR still believes its statement of basis, which is a written narrative review of the facility's application, is a worthwhile endeavor. The original intention was to help the facility and the public understand what state and federal rules are applicable to the facility, how DANR determined the facility is currently in compliance wih the requirements, and how the facility will demonstrate compliance in the future.

As experienced staff have resigned or retired their positions within DANR, hundreds of years of institutional knowledge has left with them. One of the additional benefits of DANR's statement of basis is a partial saving of that institutional knowledge in written form. Maintaining a written history of prior decisions help place perspective on current permitting requirements.

Are there any issues affecting the Title V Program in your state right now that you consider particularly important?
DANR is not currently dealing with any significant issues at this moment in time. However, DANR emphasized two general concepts:

- DANR still believes regulation comes through statutes and rules. Regulation should not come through policy.
- With today's political and frequent legal proceedings, the EPA should consider timelines with any new regulations, etc.

Percent of Title V Permits issued within regulatory timeframe specified in 40 CFR 70.7(a)(2) and 40 CFR 70.7(e)(4)(ii)
To respond to this question, the DANR reviewed the Title V Permits they have issued since the third-round program review. The review period was from 2015 to 2020.

- According to 40 CFR 70.7 (a)(2), DANR's permit review should be completed within 18 months of receiving a complete application. During the review period, DANR issued ten initial Title V air quality operating permits to facilities that did not currently have a Title V air quality operating permit. All ten were issued within the 18-months of receiving a complete application (i.e., 100%).
- According to 40 CFR 70.7(e)(4)(ii), DANR's permit review should be completed for the majority of significant modifications within nine months of receiving a complete application. During the review period, DANR issued 39 significant permit modifications (i.e., modifications by South Dakota regulations). Twenty-six (or 67%) were issued within nine months of receiving a complete application. Of the remaining 13, 12 were issued within 18 months of receiving a complete application in compliance with 40 CFR 70.7(a)(2).

What Percent of Title V Permits expire before they can be renewed?
The federal rule along with the state requires a Title V facility to submit its renewal application at least six months prior to expiration and gives DANR 18 months to renew the permit from the date of a complete application. Based on this timeline, DANR prioritizes its applications to ensure new facilities and modifications to existing facilities have the highest priority since the facility that is renewing its operating permit already has a permit in place to ensure South Dakota is able to maintain it attainment status for all National Ambient Air Quality Standards.
From 2015 to 2020, there were 97 Title V air quality operating permits up for renewal. Of those 97, just two (2) operating permits were issued prior to the expiration of the permit. However, 85 of the 97 (or 88%) were renewed within the 18 months of receiving a complete application as specified in 40 CFR 70.7(a)(2).

1. ***For those permits that could not be renewed before they expired, what are the reasons they could not be renewed prior to their expiration?***
   South Dakota's Title V air quality operating permits contain a permit condition that states the Title V air quality permit is still in effect even if the permit has expired as long as a timely permit renewal application has been submitted.

The highest priority for DANR is working on new facilities and modifications to existing facilities because facilities with expired operating permits still have permits that are effective.

The biggest reason for not processing these renewal applications in a timely manner relates to staff turnover. DANR's air quality program has 14 full time equivalent positions. Of those 14 positions, six positions are slotted as part of the permitting and compliance section of the air quality program. Beside permits, the permitting and compliance section also conducts inspections, works on enforcement actions, emission inventories and small business assistance, and other duties as assigned. On average each year, DANR has one or two permit engineer positions vacant and in the process of hiring. It takes time to train a new permit engineer and have them able to review facilities with Title V air quality operating permits.

To a smaller scale, two other reasons relate to the federal standards (e.g., NSPS, MACT, etc.) themselves. South Dakota is rural state, with minimal industry. There are times, that a federal standard applies to one single facility in South Dakota. It takes time for a person to understand the federal standard and it takes time to re-familiarize oneself with the standard in 5-year increments (e.g., renewal period). The second reason is some federal standards change during the renewal period either due to administration changes or legal proceedings. Trying to stay up to date on the changes or legal decisions on the federal rules is challenging in the context of permitting.

What improvements has the state made to the management of the Title V Program since the third-round review and what improvements, if any, does the state plan to make in the next five years?

DANR continues to develop templates for each federal rule to speed up the permitting process. The difficulty with this is the federal rules are complicated with multiple scenarios in which the permit conditions related to the rule can be written. In addition, some of the federal rules are changed frequently which requires the template to be revised. Even though these are issues, the templates still seem to help in the program's consistency with permit language and efficiency of the program.

What forms of news media do you use to maximize public participation, for implementation of 40 CFR 70.7(h)?

DANR uses a local newspaper in the county seat in which the facility is located and uses the DANR's website for public noticing permitting actions. DANR has implemented a centralized website to provide the public one location to find all public notices dealing with all environmental media.

1. ***How are the forms of media chosen?***
   DANR uses both forms no matter the situation.

2. ***How do you believe public participation should be improved?***
   This question is difficult to answer. DANR has tried several different outreach initiatives. In most cases, those attempts did not obtain different desired results.

In the instances where we do receive public interest, the project is contentious which results in DANR having to go through a contested case hearing process. In this regard, DANR believes the federal process for public participation should be improved by requiring those that wish to petition EPA on the issuance of a Title V air quality operating permit to first exhaust all of the state's options for public participation (i.e. comment during the public notice period and contest the draft permit in front of the Board of Minerals in Environment or whatever process each state has for providing public participation) before they are allowed to petition EPA to not issue the Title V air quality operating permit. If EPA would recommend an interested party use this process, the predominant issues should have been brought up and sufficient discussion and background information should be available for EPA to review if a petition were submitted to EPA. Otherwise, the record EPA reviews may not be complete because DANR assumes that an interested party was satisfied if additional steps in its process are not requested.

Do you have a mailing list for Title V public participation for implementation of 40 CFR 70.7(h)(l)? If so, please provide it.
DANR does not have a mailing list involving the Title V public participation. DANR has not received requests from individuals wanting to be on a mailing list to receive all public notices.

DANR does not have an electronic list service specific for Title V public notices that are listed on its webpage. An interested party may subscribe to receive emails on all DANR environmental media permit and rule processes. Please see https://danr.sd.gov/public/default.aspx.

Is there a policy which outlines the response to comments procedure or process, such as which comments are responded to, the timeframe for responding, how the permitting authority will respond, to whom, etc.?
DANR's procedures for responding to comments are outlined in DANR's regulations at ARSD 74:36:05:18 through 74:36:05:20.01.

Petitions
The EPA has not received any Title V petitions on operating permits issued by DANR since the third-round review.

EPA Relationship

1. ***Is there any EPA policy, on Title V, that is causing problems or confusion?***
   The only issue DANR has had with EPA's policies is when EPA considers them equivalent to federal regulations.

2. ***Has the state developed any tools, strategies, or best practices that have assisted in the inclusion of MACT subparts in Title V permits?***
   DANR continues to develop templates for MACT subparts and in some cases, there are several templates for a subpart. This seems to have helped speed up the process and provided consistent permit conditions throughout the state.

3. ***Is the issue of startup-shutdown-malfunction (SSM) emissions causing problems or confusion in Title V permit writing?***
   No, South Dakota has not had issues with startup-shutdown-malfunction emissions in its Title V air quality permits since the last program review.

   DANR follows the state and federal regulations as those are currently written. If the regulation specifies requirements during startup, shutdown, and malfunctions, DANR includes those requirements in the permit.

Do you have and unaddressed training needs? What can EPA do to help?
No, continue to provide funding for organizations like WESTAR for training purposes.

Fee Audit

The EPA did not conduct a formal Title V Program Fee Audit during the first round of Title V Program Reviews. A fee audit was conducted during the second-round review, the third-round review and again during this fourth-round review.

To initiate the fourth-round Fee Audit, a Fiscal Tracking Evaluation Form was sent to the DANR. The Fiscal Tracking Evaluation Form is used by the EPA to audit Title V Fees by determining if the following are satisfied:

- Sources are being billed in accordance with fee requirements and are paying the required fees;
- Division of expenses is identified by the DANR between Title V and non-Title V programs;
- Features are integrated into DANR's accounting/financial management system which will identify Title V revenue and expenditures separate from other funding, and produce management reports that certify the disposition of Title V funds; and
- Title V fees collected from sources are used by the DANR to pay for the entire Title V Program and no such fees are used as match to DANR's CAA Section 105 Air Program Grant.

In addition to the Fiscal Tracking Evaluation Form, the DANR provided the following information from the air quality program (Attachments 3-10):

- 2019 Title V Air Quality Operating Permit Program Fee Review
- Air Fees Expenditure Statement
- Air Pollution Control Grant (PPG) Expenditure Statement
- South Dakota Historical Expenditures and Revenue
- Time Keeping Screenshot
- Travel Reimbursement Example
- Chapter 2.0 – Permit Fees
- Example Facility Operational Report & Air Emissions Inventory

The DANR periodically reviews its Title V air fees. The last fee review was completed in 2019 (see Attachment 3). The DANR plans to conduct a new fee review in the next few years and does not expect any significant changes in the interim. Sources are billed a combination of administrative fees (e.g., flat fees for categories, administrative fees based on emissions) and an

emissions fee (e.g., dollars per ton of emissions). According to the DANR, Title V sources generally pay on time and they have few collection issues with the Title V sources. DANR's fee collection authority for Title V is contained in the South Dakota Codified Laws (§34A-1-58 and §34A-1-58.1), the Administrative Rules of South Dakota (Chapter 74:37:01 – Air Emissions Fees), and Chapter 2.0 of South Dakota's Title V Air Quality Permits. The current fees are:

Application Fee	$138	
Administrative Fee		
Less than 50 tons per year	$138	
Fifty to less than 100 tons per year	$666	
Equal to or greater than 100 tons per year	$1,383	
Annual Air Emissions Fees*	$8.30	per ton of regulated air pollutant
Flat Fees		
Single Rock Crusher	$446	
Single Asphalt Plant	$333	
Coal-Fired Power (>400 Megawatts)	$244,000	
Ethanol Plant Fees		
Application Fee	$1,000	
Annual Fees		
Administrative Fee	$1,000	
Emissions Fee	$40	per ton of TSP, SO_2, NO_x, VOC, & HAPs

*(if administrative Fee & Annual Air Emissions Fee is less than $277, a minimum fee of $277 will be paid)

Title V Permit Review

The DANR provides the EPA with all Title V permits issued which allows the EPA to review DANR's implementation of their Title V Program on a continual basis. DANR's Title V Program incorporates all the provisions required by Part 70. Permits are clear and concise, and they incorporate appropriate conditions, demonstrations, recordkeeping, and reporting requirements to assess a source's compliance. The DANR properly notifies the public of permitting actions and sends all proposed permits to the EPA for review. The DANR has been quick to respond to any questions or concerns raised by the EPA and has been willing to work collaboratively with the EPA.

DANR Organization and Staffing

DANR's air program has 14 full time equivalent positions responsible for implementing ambient air monitoring and air permitting. The 14 positions include two management positions and six positions dedicated to permitting and compliance actions. Regarding permits, the permitting and compliance staff are responsible for issuing Title V, prevention of significant deterioration (PSD), new source review (NSR), minor source and general permits. In addition to permits, the

permitting and compliance section also conducts inspections, works on enforcement actions, emissions inventories and small business assistance, and completes other duties as assigned. In an average year, the air program has one or two permit engineer positions vacant and in the process of hiring.

Conclusion

In conclusion, the DANR implements an effective Title V Program. During this round of review, the EPA determined that DANR's Title V permits continue to meet the Part 70 requirements and the DANR is administering their Title V fees in accordance with Part 70. No deficiencies were noted by the EPA during this review.

ATTACHMENT 1

TITLE V FOURTH-ROUND STATE PROGRAM REVIEW QUESTIONNAIRE AND RESPONSES BY DANR

Title V Fourth Round State Program Review Questionnaire

I. General Program Review Questions and Responses

A. What has been done in response to EPA recommendations for improvements from the third round program review?

EPA Region VIII conducted the third round of South Dakota's Title V air quality operating permit program review in 2015. EPA provided three bullets under its summary of recommended improvements:

- When reviewing DANR documents, it was noted that some of the public notices published in the local papers were missing the link to the webpage that provides the closure date for public comments.

  - DANR developed a public notice template, which includes a link to DANR's webpage.

- DANR's practice of assigning a new EPA Facility Wide ID Number, also called the AFS number, to each new owner of a facility should be reconsidered. The AFS number is plant specific and changing numbers with each new owner could lead to confusion. For example, when responding to a FOIA request for a site's history, the AFS number is a common search term.

  - Since the 3rd Round review, DANR is not aware of re-assigning an AFS number. As such, EPA's concern has not been an issue over the last few years.
  - DANR appreciates EPA's concern on DANR's limited resources. Regardless which viewpoint is taken, there are going to be competing interests in how the available data is interpreted or viewed. DANR will continue to update the system as appropriate considering what it considers the best interests for South Dakota and still meets DANR's required commitments to implement the program.

- The DANR's reason for assigning a new number is that the public is not aware that other companies previously owned bot the facility and the AFS number and that violations committed by previous owners do not reflect the current owner's operating practices. This confusion can result in both the DANR spending excessive time explaining the issue and the public being misinformed about a facilities' operating history. It must be noted that the AFS number is not a mandatory entry in the AFS number is not a mandatory entry in the AFS database. If an AFS number is entered, the procedures in the AFS User's Guide AF3 AFS Data Storage Version 8.1 (EOA-456\B-95-001) should be followed.

  - This bullet by EPA relates to the second bullet above. Please see answer to the previous bullet.

B. What key EPA comments on individual Title V permits remain unresolved (EPA to determine this)? What is the State's position on these unresolved comments?

DANR is not aware of any unresolved issues related to EPA's comments on individual Title V air quality operating permits

C. Have any procedures in Title V changed (e.g., public participation, petitions, communication with EPA) since the third-round program review?

No changes to the procedures related to the Title V air quality operating permit program has changed since the third-round program review.

1. If so, which ones?

   Not applicable

D. What does the state think it's doing especially well in the Title V program?

DANR still believes its statement of basis, which is a written narrative review of the facility's application, is a worthwhile endeavor. The original intention was to help the facility and the public understand what state and federal rules are applicable to the facility, how DANR determined the facility is currently in compliance with the requirements, and how the facility will demonstrate compliance in the future.

As experience staff have resigned or retired their positions within DANR, hundreds of years of institutional knowledge has left with them. One of the additional benefits of our statement of basis is a partial saving of that institutional knowledge in written form. Maintaining a written history of prior decisions helps place perspective on current permitting requirements.

E. Are there any issues affecting the Title V program in your state right now that you consider particularly important?

EPA's question refers to "right now" issues. In that regards, DANR is not currently dealing with any significant issues at this moment in time. With typing that, DANR would like to emphasize two general concepts:

- DANR still believes you regulate through statues and rules. You should not regulate through policy.
- With today's political and frequent legal proceedings, EPA should reconsider its timelines with any new regulations, etc.

1. Are there any EPA policies or regulatory issues that are causing concern?

   See above.

2. How can EPA help?

See above.

II. Permit Issuance

A. Since the third round program review, what percent of Title V initial permits have you issued within the regulatory timeframe specified in 40 CFR 70.7(a)(2)?

40 CFR § 70.7(a)(2) indicates DANR's permit review should be completed within 18 months of receiving a complete application.

DANR reviewed the time frame from 2015 to 2020 to respond to this question. During that time frame, DANR issued ten Title V air quality operating permits to facilities that did not currently have a Title V air quality operating permit. All ten (i.e., 100%) were issued within the 18-month regulatory timeframe specified in 40 CFR 70.7(a)(2).

B. Since the third-round program review, what percent of Title V significant permit modifications have you issued within the regulatory timeframe specified in 40 CFR 70.7(a)(2) and (e)(4)(ii)?

40 CFR § 70.7(e)(4)(ii) indicates DANR's permit review should be completed within 9 months of receiving a complete application.

DANR reviewed the time frame from 2015 to 2020 to respond to this question. During that time frame DANR issued 39 significant permit modifications (i.e., modification by South Dakota regulations) for Title V air quality operating permits. Twenty-four of the 26 or 67% were issued within 9 months of a complete application as specified in 40 CFR 70.7(e)(4)(ii). Therefore, a majority were issued within 9 months of a complete application. Of the remaining 13, 12 were issued within 18 months of a complete application which is in compliance with 40 CFR 70.7(a)(2).

C. What percent of Title V permits expire before they can be renewed?

DANR does not understand the relevance of this question. The federal rule along with the state requires a Title V facility to submit its renewal application at least 6 months prior to its expiration and gives DANR 18 months to renew the permit from the date of a complete application. Based on this timeline, DANR prioritizes its application to ensure new facilities and modifications to existing facilities have the highest priority since the facility that is renewing its operating permit already has a permit in place to ensure South Dakota is able to maintain its attainment status for all National Ambient Air Quality Standards.

From 2015 through 2020, there were 97 Title V air quality operating permits up for renewal. Of those 97, just two (2) operating permits were issued prior to the expiration of the permit. However, 85 of the 97 or 88% were renewed within the 18 months of receiving a complete application as specified in 40 CFR 70.7(a)(2).

1. For those permits that could not be renewed before they expired, what are the reasons they could not be renewed prior to their expiration?

   South Dakota's Title V air quality operating permits contain a permit condition that states the Title V air quality permit is still in effect even if the permit has expired as long as a timely permit renewal application has been submitted.

   The highest priority for DANR is working on new facilities and modifications to existing facilities because facilities with expired operating permits still have permits that are effective.

   The biggest reason for not processing these renewal applications in a timely manner relates to staff turnover. DANR's air quality program has 14 full time equivalent positions. Of those 14 positions, 6 positions are slotted as part of the permitting and compliance section of the air quality program. Besides permits, the permitting and compliance section also conducts inspections, work on enforcement actions, work on emission inventories, work on small business assistance, and other duties as assigned. On average each year, DANR has one or two permit engineer positions vacant and is in the process of replacing. It takes time to train a new permit engineer and have them able to review facilities with Title V air quality operating permits.

   To a smaller scale, two other reasons relate to the federal standards (e.g. NSPS, MACT, etc.) themselves. South Dakota is a rural state, with minimal industry. There are times, that a federal standard applies to one single facility in South Dakota. It takes time for a person to understand the federal standard and it takes time to re-familiarize oneself with the standard in 5-year increments (e.g. renewal time period). The second reason is some federal standards change during the renewal period either due to administration changes or legal proceedings. Trying to stay up to date on the changes or legal decisions on the federal rules is challenging in the context of permitting.

D. Have unresolved violations created any delay in issuing Title V renewals?

   No

E. Have permittees requested a hold in renewal for any reason?

   No

F. CAM

   1. Are CAM plan requirements slowing the renewal process?

      No

a. If so, what is it about CAM that's problematic?

Not applicable

2. Where CAM plans have been inadequate, what have been the main types of inadequacies that have caused difficulties or delays in permit issuance?

DANR has not observed any issues with inadequate Compliance Assurance Monitoring plans.

3. What difficulties have you had in getting better plans to be submitted?

DANR has not had any issues with Compliance Assurance Monitoring plans.

4. Have you had to supplement the CAM technical guidance document (TGD) with state-issued guidance?

No

5. Is CAM training adequate?

Yes

6. Are CAM applicability determinations resource-intensive or difficult?

DANR has not had any issues with Compliance Assurance Monitoring plans because very few sources require Compliance Assurance Monitoring plans and the majority that do are subject to a New Source Performance Plan or Maximum Achievable Control Technology Standard that already has the Compliance Assurance Monitoring plan requirements in the federal rule.

G. What improvements does the State believe it has made to the management of the Title V permit program, since the third-round program review, that could be described as best practices and could be of interest to other States?

DANR continues to develop templates for each federal rule to speed up the permitting process. The difficulty with this is the federal rules are complicated with multiple scenarios in which the permit conditions related to the rule can be written. In addition, some of the federal rules are changed frequently which requires the template to be revised. Even though these are issues, the templates still seem to help in the program's consistency with permit language and efficiency of the program

H. What improvements does the state plan to make, if any, in the management of the Title V permit program within the next five years?

DANR is not anticipating any changes but is always looking for ways to improve the Title V air quality operating permit program.

1. Does the state have a set period of time for planning cycles?

   No

III. Public Participation

A. What forms of news media do you use to maximize public participation, for implementation of 40 CFR 70.7(h)?

   DANR uses a local newspaper in the county seat in which the facility is located and uses DANR's website for public noticing permitting actions. DANR has implemented a centralized website to provide the public one location to find all public notices dealing with all environmental media.

   1. How is the form of media chosen?

      DANR uses both forms no matter the situation.

   2. How do you believe public participation should be improved?

      This question is difficult to answer. DANR has tried several different outreach initiatives. In most cases, those attempts did not obtain the desired results.

      In the instances where we do receive public interest is where the project is contentious, which results in DANR having to go through a contested case hearing process. In this regards, DANR believes the federal process for public participating should be improved by requiring those that wish to petition EPA on the issuance of a Title V air quality operating permit to first exhaust all of the state's options for public participation (i.e., comment during the public notice period and contest the draft permit in front of the Board of Minerals in Environment or whatever process each state has for providing public participation) before they are allowed to petition EPA to not issue the Title V air quality operating permit. If EPA would recommend an interested party use this process, the predominant issues should have been brought up and sufficient discussion and background information should be available for EPA to review if a petition were submitted to EPA. Otherwise, the record EPA reviews may not be complete because DANR assumes that an interested party was satisfied if additional steps in our process are not requested.

B. Do you have a mailing list for Title V public participation for implementation of 40 CFR 70.7(h)(1)? If so, please provide it.

   DANR does not have a mailing list involving the Title V public participation. DANR has not received requests from individuals wanting to be on a mailing list to receive all public notices.

   DANR does have an electronic list service for the public notices that are listed

on its webpage. An interested party may subscribe to receive emails on all of DANR's environmental media permit and rules processes. Please see https://danr.sd.gov/public/default.aspx

C. Is there a policy which outlines the response to comments procedure or process, such as which comments are responded to, the timeframe for responding, how the permitting authority will respond, to whom, etc.?

DANR's procedures for responding to comments are outlined in DANR's regulations at ARSD 74:36:05:18 through 74:36:05:20.01.

1. If written, can you provide a copy? If not written, could you describe the policy?

EPA has a copy of this already since DANR submitted as part of the package for EPA's approval of DANR's Title V air quality operating permit program. However, if EPA cannot find the rules they are out on our webpage at: https://sdlegislature.gov/Rules/Administrative/27955

IV. Petitions

A. Since the third round program review, to what extent have Title V petitions:

1. Changed how permits are written;

DANR has not had a petition in the 2015 through 2020 timeframe.

2. Resulted in re-openings of other permits;

DANR has not had a petition in the 2015 through 2020 timeframe.

3. Resulted in an amended permitting process, to address any issues settled through petitions granted in full or in part?

DANR has not had a petition in the 2015 through 2020 timeframe.

V. EPA Relationship

A. Is there any EPA policy, on Title V, that is causing problems or confusion? **(**NOTE: Answer may or may not be the same as I.E.2.)

The only issue DANR has had with EPA's policies is when EPA considers them equivalent to federal regulations.

B. Has the state developed any tools, strategies, or best practices that have assisted in the inclusion of MACT subparts in Title V permits?

DANR continues to develop templates for MACT subparts and in some cases, there are several templates for a subpart. This seems to have helped speed up the process and provided consistent permit conditions throughout the state.

C. Is the issue of startup-shutdown-malfunction (SSM) emissions causing problems

or confusion in Title V permit writing?

No, South Dakota has not had issues with startup-shutdown-malfunction emissions in its Title V air quality permits since the last program review.

DANR follows the state and federal regulations as those are currently written. If the regulation specifies requirements during startup, shutdown and malfunctions, DANR includes those requirements in the permit.

1. Has the state developed any tools, strategies, or best practices that have alleviated problems or confusion if either exist?

   No, South Dakota includes the regulations as they currently exist into the Title V air quality permit.

D. Do you have any unaddressed training needs? What can EPA do to help?

No. Continue to provide funding to organizations like WESTAR for training purposes.

ATTACHMENT 2

TITLE V PROGRAM FISCAL TRACKING EVALUATION FORM AND RESPONSES BY DANR

State/local Title V Program Fiscal Tracking Evaluation Document

Basic Questions for All Permitting Authorities	More Detailed Questions -- Factors to Support a Permitting Authority's Answer to the Basic Questions (Note: these are not all-inclusive, and some ideas will not apply in all cases)	Possible Resources Available
1. Title V Fee Revenue		
Can the Permitting Authority show that sources are being billed in accordance with its fee requirement(s), and that sources are paying fees as required?	Where are the fee collection authority and the fee rate(s) specified? South Dakota's statutory and regulatory authority to assess and collect Title V air fees are as follows: Statutory authority is provided in South Dakota Codified Laws: §34A-1-58 and §34A-1-58.1 (https://sdlegislature.gov/Statutes/Codified_Laws/2058098). Administrative authority is provided in Administrative Rules of South Dakota Chapter 74:37:01 – Air Emission Fees (https://sdlegislature.gov/Rules/Administrative/28192). Is the Permitting Authority including reference to these fee requirements in its Title V permits? South Dakota established conditions involving the Title V air fees in Chapter 2.0 of its Title V air quality permits. A copy of the general language is attached. List the fee rate(s) formulae applicable for the time period being reviewed. (Include emission based fees, application fees, hourly processing fees, etc.) South Dakota uses a combination of administrative fees (e.g. flat fees for categories, administrative fees based on emissions) and an emission fee (e.g. dollar per ton of emission) South Dakota does **not** use an hourly processing fee system. Please review South Dakota's statues and regulations and/or South Dakota's last Title V fee analysis update for discussion on the specific fees	Req's/Auth.: State/local Title V program legislation & regulations Permit ref's: Permits state has written/submitted to EPA Fee Rate(s): State/local Title V program submittal, and then verify w/ Permitting Authority that info is up-to-date Billing/Payments: Permitting Authority records. Emission data may be in AIRS. If some fees are hourly, there should be some direct labor tracking mechanism (see accounting system, below).

	Does the Permitting Authority anticipate any significant changes to its fee structure? For the next few years, South Dakota does not anticipate any significant changes. However, if EPA establishes new federal regulations or enforces new policies that would likely cause industry to shut down its operations, South Dakota may have to make significant changes to its fee structure. What is the current status in States/locals with requirements to balance income & expenditures of the Title V program annually (i.e., must rebate any overage of fees, etc.)? South Dakota does not balance income and expenses on an annual basis. Any deficit or surplus is carried over to the following fiscal year.	

1. Title V Fee Revenue – Continued		
	Examine documentation of how the annual fees for sources are determined. Audit several sources' bills for accuracy. • Are appropriate (actual or potential) emission records used for $/ton based fees? How are the Permitting Authority and its sources determining actual emissions for fee purposes? In the instances where emission information is used to assess an air fee, South Dakota assess the air fee based on actual emissions. As described in Chapter 2 of the regulated entities Title V air quality permit, a facility submits an operational report detailing the actual information necessary to determine the facility's actual emissions. An example of an operational report is attached. • Are records kept (and used) for any hourly based fees? South Dakota does not assess air fees based on an hourly basis. • Review similar documentation for other types of fee mechanisms. South Dakota provided examples as noted in the above answers. Billing... • How is the Permitting Authority notifying sources of the fees owed and due dates for payment? South Dakota submits an invoice either by mail or by email to the regulated facility. • Discuss how incoming payments are recorded to the appropriate accounts (receiving's tracking). The Department of Agriculture and Natural Resources' (DANR's) fiscal office maintains an electronic payment and receipt system.	

1. Title V Fee Revenue – Continued		
	Payments... • Are the sources paying the total fees charged each year? Yes, the regulated facilities pay the total fee charged. • Are they paying on time? Yes, most of the regulated facilities pay their air fees by the due date. • If there's a collection problem, how is the Permitting Authority addressing it? If a regulated facility does not pay its air fee on time, additional notices are sent to the facility informing them the fee is late and is still due. In addition, the DANR's air quality program likely calls the facility to remind them to pay the air fee. If a regulated facility ultimately does not pay the air fee, DANR may submit the air fee to a collection agency to recover the air fee. • Are late fees being assessed? If so, are the late fees being credited to the Title V accounts? No, late fees have not been assessed.	

2. Title V Expenditures		
Is the Permitting Authority identifying division of expenses between Title V and non-Title V programs?	• What matrix is the Permitting Authority using to differentiate Title V activities from non-Title V activities? South Dakota maintains a robust tracking system involving revenues and expenses associated with Title V activities and non-Title V activities. Besides breaking the air quality program into Title V activities and non-Title V activities, South Dakota tracks the expenditures for personal services, employee benefits, travel, contractual services, supplies, capital assets, and indirect costs. DANR's staff uses an electronic time keeping system to track its work assignments in broad terms. The time keeping system allows each staff member to charge their time to several different line items. One of those line items is for the Title V air fee sub fund. In broad terms, staff are informed to charge to the Title V air fee sub funds when working on an assignment associated with a facility regulated under the Title V permitting program. If a facility is not covered by the Title V permitting program, staff charge their time to a different sub fund. Involving Title V funds used to cover travel costs, supplies, etc. a ratio of corresponding job duties are used. These ratios will vary depending on the associated activities. Please see a screen shot copy of the timekeeping system, a copy of a monthly Title V air fee and 105 Grant statement, and a sample receipt ratio break down. Direct labor: • If used by State/local program, review time sheets and instructions given to employees as to how to code information into the time sheet. If time sheets are not used, investigate method that State/local program uses to differentiate Title V and non-Title V direct labor.	If used by State/local program, sample time sheets and instructions given to employees; equivalent records for alternate direct labor differentiation methods. Accounting system records showing that administrative/ clerical personnel costs are accounted for in the Title V program Accounting system records showing that non-labor costs (travel, equipment, office space costs, etc.) are accounted for in some fashion and a portion is billed to Title V. EPA Guidance includes: "Matrix of Title V-Related and Air Grant-Eligible Activities, Information Document," Office of Air & Radiation, May 31, 1994

	See answer above. • Ensure that accounting system is set up to utilize the various coding information. See answer above. • Analyze time sheets/instructions (and/or other direct labor differentiation method) for conformance with the matrix of acceptable Title V activities. See answer above.	

2. Title V Expenditures – Continued		
	Direct non-labor: • Does the Permitting Authority utilize an allocation system that separates travel and equipment costs for Title V and non-Title V functions? See answer above. • If so, are the allocations in accordance with the Permitting Authority's Title V/ non-Title V activity separation? See answer above. • If not, are these included as part of indirect costs? (Direct non-labor needs to be addressed somewhere.) See answer above. Indirect labor & non-labor: • How are indirect labor & non-labor costs apportioned between Title V vs. non-Title V accounts? (Indirect costs include parts of secretarial & managerial overhead, paper & supplies, space, utilities, generalized computers, etc., that is not addressed as direct labor/non-labor) See answer above.	

3. Accounting System (i.e., the system that provides for analysis of the Title V program revenue and expenditure information gathered above)		
Has the Permitting Authority integrated features into its accounting/financial management system which will: • identify Title V fee revenues separate from other funding? • identify Title V expenditures separate from other expenses? • produce management reports, periodically and as requested, which the Permitting Authority will be able use to certify as to the disposition of Title V funds?	Describe the accounting structure that the Permitting Authority uses to differentiate Title V $ from other funds. [i.e., govt. fund, enterprise fund, etc. -- for more detail on options, see the U of MD report.] Please see brief discussion in section 2 – Title V Expenditures and the attached documents. Does the accounting system have separate categorization for Title V and non-Title V funding and expenses? Yes, South Dakota fiscal systems tracks Title V and non-Title V funding and expenses separately. If yes, are these features being used to track Title V monies separate from non-Title V monies? Yes If no, does the Permitting Authority keep any separate records that identify Title V monies separate from non-Title V monies? Could such information potentially be integrated into an accounting/financial management system? Not Applicable. South Dakota has an integrated accounting / financial management system.	Review sample reports/specific reports for the time period being reviewed. For background: Overview of CLEAN AIR Title V Financial Management and Reporting, A Handbook for Financial Officers and Program Managers, Environmental Finance Center, Maryland Sea Grant College, University of Maryland, 0112 Skinner Hall, College Park, MD 20742, January 1997, [Publication Number UM-SG-CEPP-97-02]

4. Separation of Title V from §105 grant and grant match funding		
Can the Permitting Authority confirm that the Title V fees collected from sources are used to pay for the entire Title V program, and that no Title V fees are used as match to the CAA section 105 Air Program grant?	Determine the federal §105 grant award received, and the amount of state/local funds used during the time period being reviewed. Please see brief discussion in section 2 – Title V Expenditures and the attached documents. Determine the Title V fees collected (and Title V funds available, if carryover of Title V fees is allowed by state/local regulations) during the time period being reviewed. Please see the attached documents indicating Title V fees collected and carry overed. Determine Title V expenditures during the time period being reviewed. Please see the attached documents Ensure that adequate non-Title V state/local funds were available to provide required match to the federal grant. Please see the attached documents Ensure that sufficient Title V funds were available to pay for the Title V program (i.e.--Title V program is self-supporting) South Dakota periodically reviews its Title V air fee funds. The last review was in 2019. Another review of the Title V fee funds will be conducted in the next few years.	Grant files -- FSR's for applicable years. (See appropriate EPA Region grant & project manager staff) Permitting Authority accounting system reports showing revenue and expenditure summaries for Title V, grant, and other activities

ATTACHMENT 3

2019 TITLE V AIR QUALITY OPERATING PERMIT PROGRAM FEE REVIEW

TITLE V AIR QUALITY

OPERATING PERMIT PROGRAM

FEE REVIEW

March 2019
South Dakota Department of Environment and Natural Resources

Table of Content

Page

List of Tables

Page

List of Figures

Page

1.0 Introduction

1.1 State Authority

The federal Clean Air Act of 1990 required the development of a national permit program for major sources of air pollution. This permit program is called the Title V air quality operating permit program. Under section 502(b)(3) of the Clean Air Act, the owner or operator of a source subject to the requirements to obtain a Title V air quality operating permit shall pay an annual fee sufficient to cover all reasonable direct and indirect costs required to develop and administer the Title V air quality operating permit program.

The Clean Air Act required all states to develop a permit program and a fee structure to pay for implementing the permit program and be approved by the U.S. Environmental Protection Agency (EPA). If a state decided not to develop a permit program, the EPA would develop and implement its own permit program for that state and charge the maximum fee allowed under the Clean Air Act. Currently, EPA is charging $52.81per ton of regulated pollutants emitted into the air from each permitted source.

In order to enhance economic development, provide increased customer service, protect the public health, safety, welfare, and the environment of South Dakota, legislators passed South Dakota Codified Laws (SDCL) Sections 34A-1-57, 34A-1-58, 34A-1-59, and 34A-1-60 in 1992. In accordance with SDCL 34A-1-57, state legislators imposed a fee on certain air pollution point sources as provided in SDCL 34A-1-58. SDCL 34A-1-58 allows the Secretary of DENR to exclude any amount of regulated pollutant emitted by any source in excess of four thousand tons per year in determining the amount of fee required for any operating source. It further states that the Secretary shall develop a fee structure which equitably assesses an annual fee for the administration costs and an annual fee based on emissions, the sum of which covers the estimated total costs of administrating a delegated state air quality program. The Secretary may adjust the fee, if necessary, on an annual basis.

SDCL 34A-1-59 establishes the air quality subfund that shall consist of money from public and private sources including legislative appropriations, federal grants, gifts, and fees collected under SDCL 34A-1-58. The air quality subfund shall be maintained separately and be administered by DENR in order to defray the expenses of all activities associated with administrating the Title V air quality operating permit program.

SDCL 34A-1-60 obligates the owner or operator of a regulated air contaminant source to pay the annual fee imposed under SDCL 34A-1-58. The annual fee shall accrue on July first and is due July 31 of each year.

Currently, SDCL 34A-1-60 states the annual air fee shall be remitted to the Department of Revenue. House Bill 1018 in the 2019 Legislative Session has changed SDCL 34A-1-60 for the annual fee to be remitted to the Department of Environment and Natural Resources that was signed by the Governor on February 13, 2019. With the change in SDCL 34A-1-60, DENR also

proposes to change the corresponding Administrative Rule, ARSD 74:37:01:08, Notification of source.

1.2 Air Fee Development

The first air fees were established just to pay for the development of the Title V air quality operating permit program with the intention of establishing a fee the next year for implementation. The air emission fees were established in Administrative Rules of South Dakota Chapter 74:37:01 – Air Emission Fees on July 1, 1993. In lieu of the maximum fee allowed under the Clean Air Act that would have been charged under an EPA administered program, DENR implemented an administration fee and a fee of $6.10 per ton of regulated pollutants (i.e. total suspended particulate matter, sulfur dioxide, nitrogen oxide, volatile organic compounds and hazardous air pollutant) emitted from permitted sources. The implementation fees were established on July 1, 1994.

In calendar year 2006, representatives from the ethanol industry approached DENR on increasing fees paid by the ethanol industry to address quicker permitting actions by dedicating one air quality engineer to work on ethanol applications. In 2007, with the ethanol industry's support, legislators passed SDCL 34A-1-58.1. SDCL 34A-1-58.1 established a separate fee for ethanol production plants and exempts ethanol production plants from the fees required in SDCL 34A-1-58. This section established a one-time application fee of $1,000 for ethanol production plants. In addition, ethanol production plants are required to pay an annual fee. The annual fee consists of an administrative fee of $1,000 and an emission fee in the amount of $40.00 per ton for each regulated pollutants emitted to the air by the ethanol production plant during the previous year.

After 16 years of operating under the 1994 fee structure, DENR proposed an increase which was approved by the Secretary of the Department of Environment and Natural Resources and became effective June 28, 2010. The revisions increased the 1994 fees by approximately 20% to 25%, established a flat fee for the Big Stone Power Plant, and established a minimum annual fee. These revisions did not impact the fees established for ethanol plants in SDCL 34A-1-58.1.

After 7 years of operating under the 2010 fee structure, DENR revisited the air fees and determined the air fees collected for the Title V air quality operating permit program were again not sufficient to cover the reasonable direct and indirect costs associated with administering the program as required under the Clean Air Act. In September 2017, DENR proposed approximately an 8% to 9% increase which was approved by the Secretary of the Department of Environment and Natural Resources and became effective December 5, 2017. These revisions did not impact the fees established for ethanol plants in SDCL 34A-1-58.1.

The following is a summary of the fees that were effective December 5, 2017.

1. The annual administrative fee for sources emitting less than 50 tons per year of regulated air pollutants equals $135. For sources emitting more than 50 tons but less than 100 tons, the annual fee equals $650. For sources emitting 100 tons or more each year, the fee equals $1,350;

2. The fee for the actual amount of pollution emitted from each permitted air pollution source equals $8.10 per ton;
3. The annual minimum fee paid by any permitted source for items number 1 and 2 above is $270;
4. The application fee for an air quality construction permit for a source required to obtain a Title V air quality operating permit, renewing an existing permit, and modifying an existing permit equals $135;
5. The annual fee for rock crushers subject to the Title V air quality operating permit program equals $435. Rock crushers are not subject to the emissions fee in item 1 and 2 above;
6. The annual fee for asphalt plants subject to the Title V air quality operating permit program equals $325. Asphalt plants are not subject to the emissions fee in item 1 and 2 above; and
7. The annual fee for the Big Stone coal-fired power plant equals a flat fee of $238,000. The Big Stone coal-fired power plant is not subject to emissions fees in item 1 and 2 above.

2.0 Title V Air Quality Operating Permit Program Workload

The Title V air quality operating permit program is implemented by the Air Quality Program with assistance from the Minerals and Mining Program and Surface Water Program. These programs are located within the Division of Environmental Services in DENR. The activities involved with the implementation of the Title V air quality operating permit program consist of the following:

1. Planning and development;
2. Reviewing air quality permit applications and drafting air quality permits;
3. Compliance and enforcement;
4. Ambient air monitoring;
5. Air emission inventories; and
6. Small business assistance program.

The Air Quality Program is responsible for the permitting, compliance and enforcement of the stationary sources in the state such as coal-fired electric power plants, quarries, boilers, and painting operations. The Air Quality Program is also responsible for revising state rules, ambient air monitoring, air emission inventories, and the small business assistance program.

The Minerals and Mining Program is responsible for permitting, compliance, and enforcement of portable and stationary rock crushers and asphalt plants. The Surface Water Program is responsible for inspecting assigned sources to determine compliance with the Title V air quality operating permits.

2.1 Planning and Development

Planning and development consists of reviewing and commenting on new federal regulations when they are proposed, revising the state rules to stay consistent with the new federal regulations, and submitting the proper documentation to EPA for approval. All rule revisions are processed according to the state's required procedures for adopting rules. Each year the rules are reviewed to determine if any new federal regulations need to be adopted or if any changes are needed to the existing rules. If rule revisions are required, the proposed changes are drafted and reviewed by the appropriate staff in the Air Quality Program. The proposed rule revisions are then submitted to EPA, South Dakota trade associations, environmental interest groups, and representatives of the regulated community for comments. The comments are reviewed and the appropriate changes are made to the proposed rule revisions.

The proposed rule revisions are presented to the Board of Minerals and Environment at a public hearing. If the Board of Minerals and Environment approves the proposed rule revisions, the approved rule revisions are presented to the Interim Rules Committee for their approval. When the rule revisions are final, a package of information demonstrating DENR followed the proper procedures for adopting rules in South Dakota is submitted to EPA. At that time, DENR would request changes to the State Implementation Plan (SIP), revisions to delegated federal programs such the New Source Performance Standards (NSPS) and Maximum Achievable Control Technology (MACT) standards, and approval of any rule changes that affect the Title V air quality operating permit program.

The Administrative Rules of South Dakota that pertain to the Title V air quality operating permit program are found in ARSD 74:36 – Air Pollution Control Program.

2.2 Reviewing Title V Air Quality Operating Permit Applications

The following types of facilities are subject to obtaining a Title V air quality operating permit:

1. Major sources, which are defined as those facilities with the potential to emit 100 tons per year or more of a criteria pollutant, 10 tons per year or more of a single hazardous air pollutant, or 25 tons per year or more of two or more hazardous air pollutants; and/or
2. Any source subject to a standard promulgated under Sections 111 (New Source Performance Standards) and 112 (Maximum Achievable Control Technology Standards) of the federal CAA, unless otherwise specified in the applicable standard.

Facilities that fit under one or both of these types must submit a Title V air quality operating permit application. If a facility is only subject to subsection one above and its actual emissions are below the major source thresholds under the Title V air quality operating permit program, the facility may request operational restrictions and obtain a minor air quality operating permit. Applicants for a minor air quality operating permit are not assessed an application fee, an annual administrative fee or an annual emission fee.

DENR issued its first Title V air quality operating permit on October 16, 1995. On May 14, 2001, 100 percent of the original applications were processed and issued a Title V air quality

operating permit, a minor air quality operating permit with operational restrictions that maintain actual emissions below the major source threshold under the Title V air quality permit operating program, or a minor air quality operating permit. These air quality permits are valid for five years. A source with a Title V air quality operating permit is required to submit an application to renew the permit six months prior to the expiration date.

DENR reviews applications for new facilities, renewal of existing facilities, and revisions to existing facilities. The process for reviewing these applications goes through the same process. An engineer reviews the application to determine if it is complete and requests additional information if necessary. Once the application is considered complete, the engineer evaluates the application. The evaluation consists of writing a statement of basis which documents the operations that need to be permitted, applicable regulations, and the process for developing permit conditions. The permit is drafted and a public notice is submitted to affected states, to the local newspaper, and posted on DENR's website. At the same time, DENR submits the public notice, statement of basis, and draft permit to the applicant and EPA. The public, affected states, applicant, and EPA are given 30 days to provide input on the draft permit. If no one comments on or contests the draft permit, the proposed permit is submitted to EPA for their 45-day review period. The permit is issued at the end of the 45-day review period unless EPA approves or objects earlier to the issuance of the permit.

In addition to the above activities, modeling may be used by DENR to support the issuance of a construction permit for a new facility or approval of a modification to an existing facility. The main purpose of modeling is to ensure the emissions from a facility, or facilities, do not cause an exceedance of the national ambient air quality standards for criteria pollutants and of any Prevention of Significant Deterioration (PSD) increments. Normally, modeling is conducted by the facility or their consultant and reviewed by DENR. DENR's review includes ensuring the correct model was used, determining if reasonable and correct assumptions were made, and reviewing the modeling results. In certain situations, DENR conducts the modeling.

In accordance with ARSD 74:36:05:18, any party may contest a draft permit during the public notice period. If the permit is contested, a hearing is held before the Board of Minerals and Environment. For DENR staff, this activity includes:

1. Preparation for the contested case hearing;
2. Coordinating with the Attorney General's Office on the contested case and its presentation at the hearing; and
3. Testifying at the contested case hearing before the Board of Minerals and Environment.

The permitting process is designed to allow comments from the public, applicant, and EPA on the draft permit without having to contest the permit before the draft permit is finalized. Comments received are considered and appropriate changes are recommended to the permits as applicable. Both the person that comments on the draft permit and the applicant have an opportunity to contest the permit once DENR makes it final decision. This process has worked well with only a hand full of draft Title V air quality permits being contested which has helped keep the cost of implementing the Title V air quality operating permit program down.

In accordance with ARSD 74:36:05:23, any party may petition EPA to object to the issuance of a final permit issued by DENR. If a petition is submitted to EPA and EPA agrees to object to the permit due to the petition, DENR is required to respond to EPA's objection(s), which potentially includes an additional public notice and public hearing. Very few of the final permits have been petitioned to EPA, which also has kept the cost of implementing the Title V air quality operating permit program down.

2.3 Compliance and Enforcement

Compliance and enforcement activities are necessary to ensure that facilities remain in compliance with all permit conditions. This includes inspections, review of source submittals (i.e., required reports, ambient monitoring data, compliance data, etc.), issuance of enforcement actions, development of mutually acceptable compliance schedules, and follow-up to each of these activities. DENR is responsible for bringing facilities that are out of compliance back into compliance in a timely and appropriate manner.

There are individuals within DENR's Sioux Falls, Vermillion, and Rapid City offices that support the Air Quality Program with compliance and enforcement. Some of these individuals also support the Surface Water Program. These individuals inspect facilities, investigate complaints, and witness performance tests and continuous emission monitoring audits in their region. Individuals from the Air Quality Program and Minerals and Mining Program within DENR's office in Pierre also perform similar tasks. Enforcement actions are centralized within the main office in Pierre.

The number of facilities inspected each year is outlined in the Compliance Inspection and Monitoring Plan that is negotiated with EPA each federal fiscal year. DENR's commitment to EPA is to inspect all Title V stationary sources and all Title V portable sources that operate in South Dakota on an annual basis. Inspections consist of the following activities:

1. Prepare for the inspection which includes familiarization with compliance history, Title V air quality operating permit, emission limits, and permit restrictions;
2. Travel to and from the site;
3. Conduct an inspection of the facility which includes a visual emission evaluation of each unit, review of records and monitoring data, witness performance tests, and/or witness audits for continuous emission monitoring systems;
4. Provide technical assistance in response to questions raised by source personnel during the inspection and review compliance findings with source personnel;
5. Document the inspection;
6. Notify the inspected facility of the inspection results and applicable recommendations;
7. Report inspections in the state and EPA's database; and
8. Initiate enforcement action when necessary.

2.4 Ambient Air Monitoring

DENR maintains an air monitoring network to determine attainment status with the national ambient air quality standards. The ambient data is also used in control strategy development and

assessment. DENR's monitoring network presently consists of particulate matter, sulfur dioxide, nitrogen dioxide, carbon monoxide, ozone, and meteorological monitors. DENR monitors for particulate matter with a diameter less than or equal to 2.5 microns ($PM_{2.5}$) and 10 microns (PM_{10}).

The activities associated with ambient air sampling include operating and maintaining the monitors, quality assurance, developing and evaluating analytical methods, and providing technical assistance to industry, the public, and government agencies. In most cases, individuals under contract operate the monitoring stations and a laboratory under contract is used to analyze the samples collected by the monitors. Individuals in the Air Quality Program are responsible for the development and review of the air monitoring network, ensuring the ambient air monitoring equipment is operating properly, evaluating the data, and entering the data into EPA's national database.

The fee does not cover the entire cost of the ambient air monitoring program, only that portion directly related to air emissions from a facility with a Title V air quality operating permit. This type of monitoring takes place to investigate citizen complaints regarding a facility, verify modeling results, or determine levels of criteria pollutants in a specific area.

2.5 Air Emission Inventories

DENR tracks the amount of air emissions from facilities with Title V air quality operating permits each year. The air emissions consist of the criteria pollutants and the 188 hazardous air pollutants. The information collected and maintained through this activity can be used for a variety of activities including:

1. Assessing annual fees;
2. Recording current emission levels for trend analysis;
3. Determining compliance with permitted limits;
4. Determining size of ambient air monitoring network, type of sampling, and distribution of sampling stations; and
5. Meeting federal emission inventory reporting requirements.

The emissions inventory is updated annually for all facilities with Title V air quality operating permits except rock crushers and asphalt plants. Rock crushers and asphalt plants are presently charged an annual flat fee. By paying a flat fee, these types of sources are not required to maintain records to determine the amount of air emissions from the particular activity. Although the Big Stone coal-fired power plant also pays a flat fee, the facility is required to submit annual emissions for federal reporting.

The first stage of developing an emission inventory is sending facilities with Title V air quality operating permits an operational report in January of each year. The operational report is completed by the facility and submitted to DENR by March 1 of each year. The operational information and the emission rates for each facility are used to determine the air emissions. The emission factors are based on performance tests, material balance, EPA developed emissions

factors, or other methods approved by DENR. The last stage of developing the emission inventory is the quality assurance checks and entry of the data into EPA's database.

2.6 Small Business Assistance Program

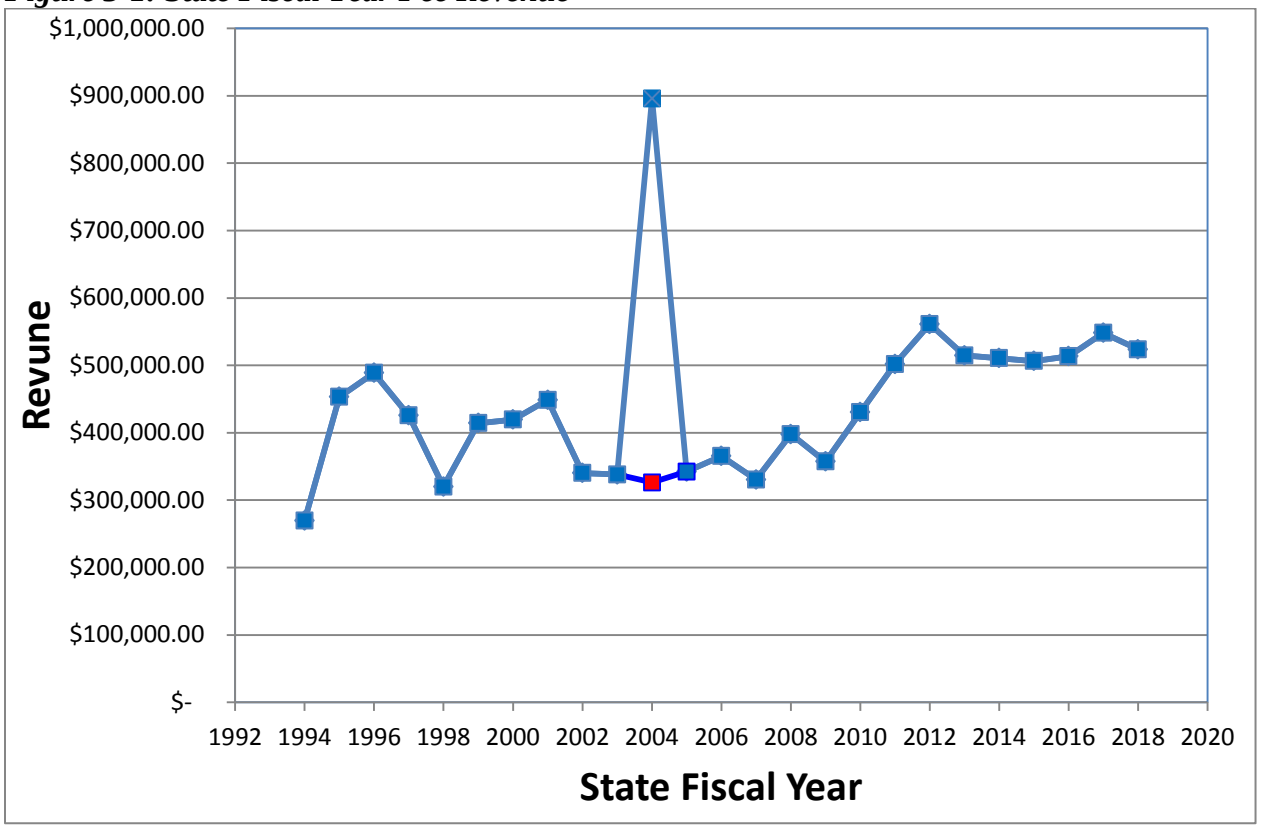
DENR operates a small business assistance program. The main cost associated with the small business assistance program is outreach. Outreach consists primarily of informing small businesses about proposed federal regulations that may affect them so the small business has an opportunity to comment on the regulation before it is promulgated. Once the regulations are promulgated, DENR distributes the information on to the small businesses and assists the small businesses in understanding the requirements, deadlines, and in staying in compliance.

3.0 Fee Revenue

DENR's current fees consist of an administrative fee, a dollar per ton fee, flat fees for certain categories or types of facilities, and an application fee. The one source of funding that was not included in the original workload analysis and fee determination was the interest earned on the fees. In the last five years, the interest earned on the fee funding has averaged $2,466 per year. DENR believes the amount of interest will fluctuate each year depending on the economy and will not be reliable for basing fees for the Title V air quality operating permit program. Therefore, the interest earned will not be considered in this analysis.

Figure 3-1 displays the amount of fees DENR has collected since 1994. The graph identifies three main trends 1) A spike in fees collected in fiscal year 2004; 2) A high variability in fees collected during fiscal years 1994 through 2010; and 3) An increase of fees collected beginning in fiscal year 2010 and leveling off in fiscal year 2013.

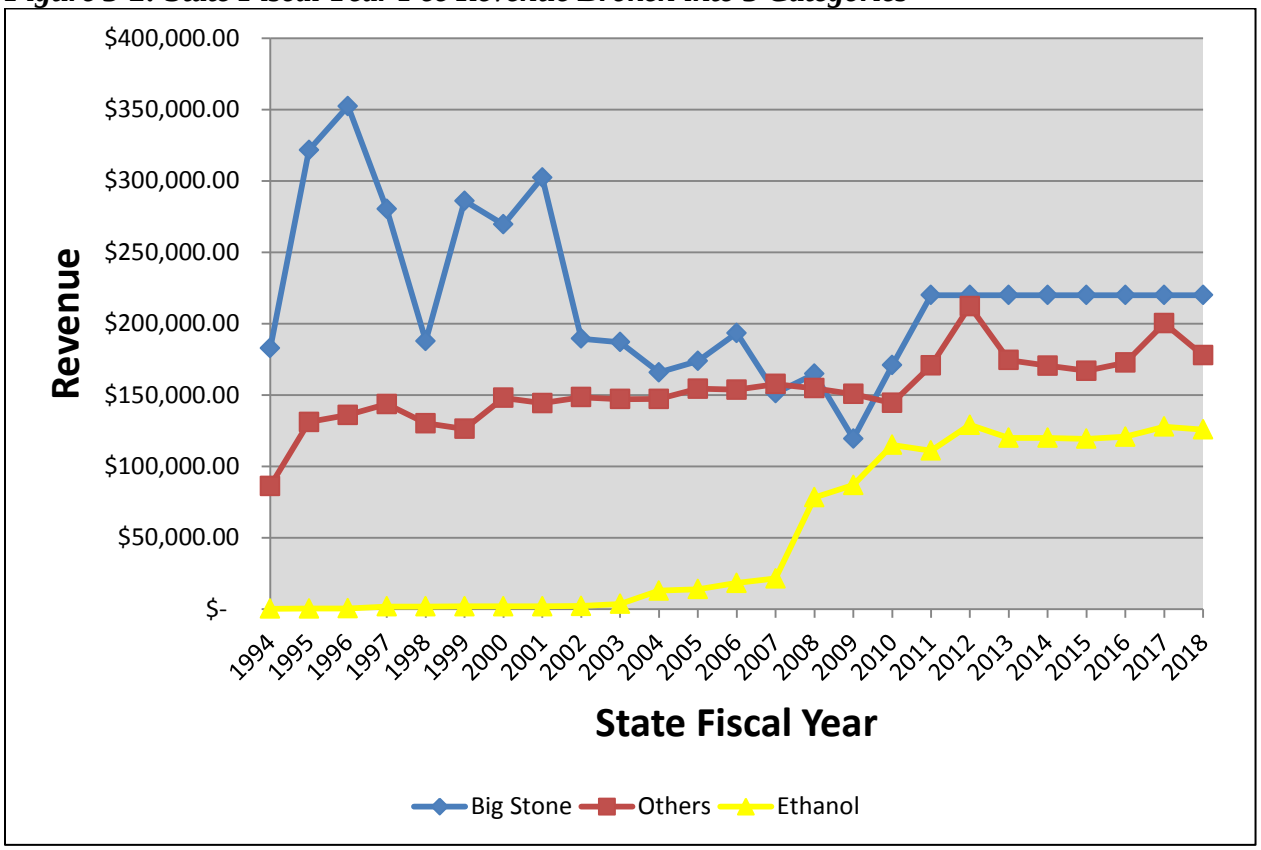
Figure 3-1: State Fiscal Year Fee Revenue



In state fiscal year 2004, DENR placed $570,079 into the Title V fee fund from a civil penalty collected during an enforcement action. If this civil penalty is not included, the fee collected in fiscal year 2004 would have been $326,128, as represented by the red dot in Figure 3-1.

DENR broke down the fees collected since 1994 into three categories as shown in Figure 3-2. One category displayed in yellow is fees collected from ethanol plants. The second category is displayed in blue and represents fees collected from the Big Stone Power Plant. The third category displayed in red is fees collected from all other facilities that obtain a Title V air quality operating permit.

Figure 3-2: State Fiscal Year Fee Revenue Broken into 3 Categories



The graph shows early on how the fees for the Big Stone Power Plant fluctuated each year dependent on how the Big Stone Power Plant operated. In 2010, DENR's recommendation to charge the Big Stone Power Plant a flat fee of $220,000 was adopted and helped stabilize the fees collected each year. The graph notes the increase of fees collected after fiscal year 2004 was also impacted by the growth of the ethanol industry in South Dakota. The graph also shows that the "Ethanol" and "Others" categories have stabilized since the changes in 2010 except for a slight bump in state fiscal years 2012 and 2017.

The sources permitted under the "Others" category are required to renew their Title V air quality operating permit every five years. For most of the sources under the "Others" category, the renewal time period is staggered over the five years except for portable rock crushers and asphalt plants. In state fiscal years 2012 and 2017, the Title V air quality operating permits for portable crushers and asphalt plants were renewed which resulted in an additional $24,875 and $27,350 in application fees. If these renewal application fees for portable crushers and asphalt plants were removed from the graphs or were staggered over the 5 year period, the slight bump in revenue in fiscal years 2012 and 2017 for the "Others" category would not be observed.

Table 3-1 provides a comparison of the fee revenues from state fiscal year 2011 through 2018 from the Big Stone Power Plant, ethanol plant production, and other facilities. The average for the last eight years is $522,488.

Table 3-1: Comparison Fee Revenue

State Fiscal Year	Big Stone	Ethanol	Others	Total
2011	$220,000	$111,076	$169,690	$500,766
2012	$220,000	$129,094	$212,217	$561,311
2013	$220,000	$120,043	$174,531	$514,573
2014	$220,000	$120,033	$170,515	$510,548
2015	$220,000	$119,372	$166,936	$506,309
2016	$220,000	$120,792	$172,674	$513,466
2017	$220,000	$127,899	$200,294	$548,192
2018	$220,000	$125,899	$177,824	$523,723

4.0 Title V Program Expenditures

Table 4-1 and Figure 4-1 display the actual expenditures for state fiscal year 1994 through 2018, inclusive. State fiscal year 1994 was included even though the expenditures during that period just covered the development of the Title V air quality operating permit program and not the implementation.

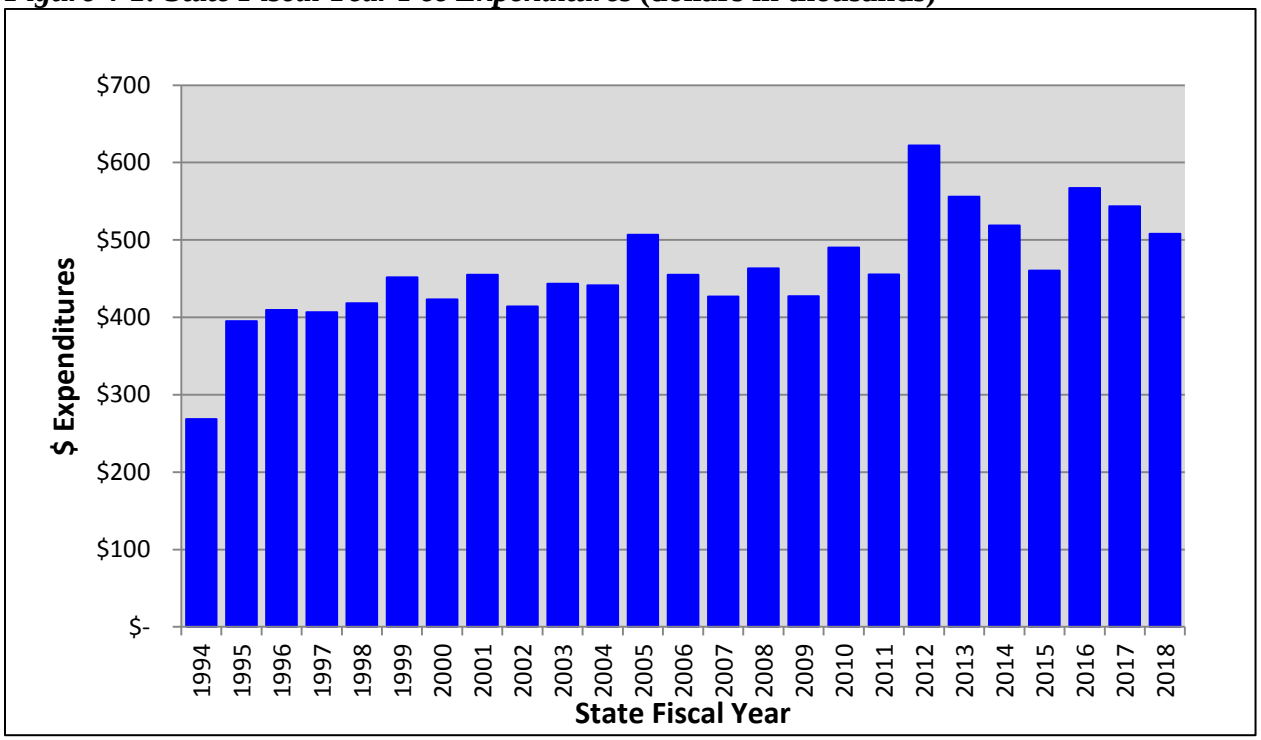
Table 4-1: Title V Air Quality Operating Permit Program Expenditures

State Fiscal Year	Expenditure
1994	$268,661
1995	$394,991
1996	$409,617
1997	$406,727
1998	$418,133
1999	$451,837
2000	$423,086
2001	$454,924
2002	$413,978
2003	$443,549
2004	$441,324
2005	$506,837
2006	$455,126
2007	$426,983
2008	$463,442
2009	$427,233
2010	$489,960
2011	$455,519
2012	$622,014
2013	$555,780
2014	$518,671
2015	$460,324
2016	$566,872

State Fiscal Year	Expenditure
2017	$522,722
2018	$508,070

If you disregard state fiscal year 1994, the Title V air quality operating permit program expenditures remained relatively consistent for the first four years. The expenditures started to increase in state fiscal year 1999 and then began to fluctuate through state fiscal year 2011with annual expenditures ranging from $413,978 in state fiscal year 2002 to as high as $506,837 in state fiscal year 2005 (see Figure 4-1). There was an approximately $167,000 jump in state fiscal year 2012 followed by a three year decline and then the expenditures jumped again in state fiscal year 2016 to approximately $567,000. For the last eight years (e.g., state fiscal year 2011- 2018), DENR on average spent approximately $529,000 per year to implement the Title V air quality operating permit program.

Figure 4-1: State Fiscal Year Fee Expenditures **(dollars in thousands)**



The fluctuations in fee expenditures each year is based on several factors. For example, the ethanol industry started booming in South Dakota around 2002, which started to increase the number of new Title V air quality operating permits issued each year. In addition, the ethanol industry was changing rapidly resulting in ethanol plants submitting applications to modify existing operations sometimes right after a Title V air quality operating permit was issued. By calendar year 2008, the number of permitted ethanol plants had grown to 19 with a maximum production capacity of 1,472 million gallons of denatured ethanol per year. Even though permitted, not all of those ethanol plants or expansions have become a reality. At the beginning of calendar year 2010, there were 18 ethanol plants permitted with a capacity of 1,360 million gallons of denatured ethanol per year.

In addition, a Title V air quality operating permit is issued for a five year period. Beginning in state fiscal year 2001, the first of the Title V air quality operating permits expired and the renewal process started on top of continuing to issue new Title V air quality operating permits and modifications to existing Title V air quality operating permits.

Fluctuations are also caused by EPA developing and implementing new federal rules that impact businesses and operations, including small businesses, with Title V air quality operating permits. Prior to 1994, EPA promulgated 97 federal regulations often referred to as the New Source Performance Standards, Maximum Available Control Technology Standards and National Emission Standards for Hazardous Air Pollutants. Prior to 1994, South Dakota adopted and was implementing 28 of those federal regulations. Prior to 2010, EPA had increased the number of federal regulations to 247. Of those 247, South Dakota had adopted and was implementing 188 federal regulations. Currently, EPA has promulgated 262 federal regulations and South Dakota has adopted and is implementing 225 of those federal regulations. Of those South Dakota has not adopted, those federal regulations would not be applicable to South Dakota, is under legal litigation or the standard has be stayed by either the Court System or EPA.

5.0 Revenue and Expenditure Comparison

Table 5-1 and Figure 5-1 compare the amount of fees collected and the expenditures for state fiscal year 1994 through 2018, inclusive. State fiscal year 1994 was included to display the amount of money carried over into state fiscal year 1995.

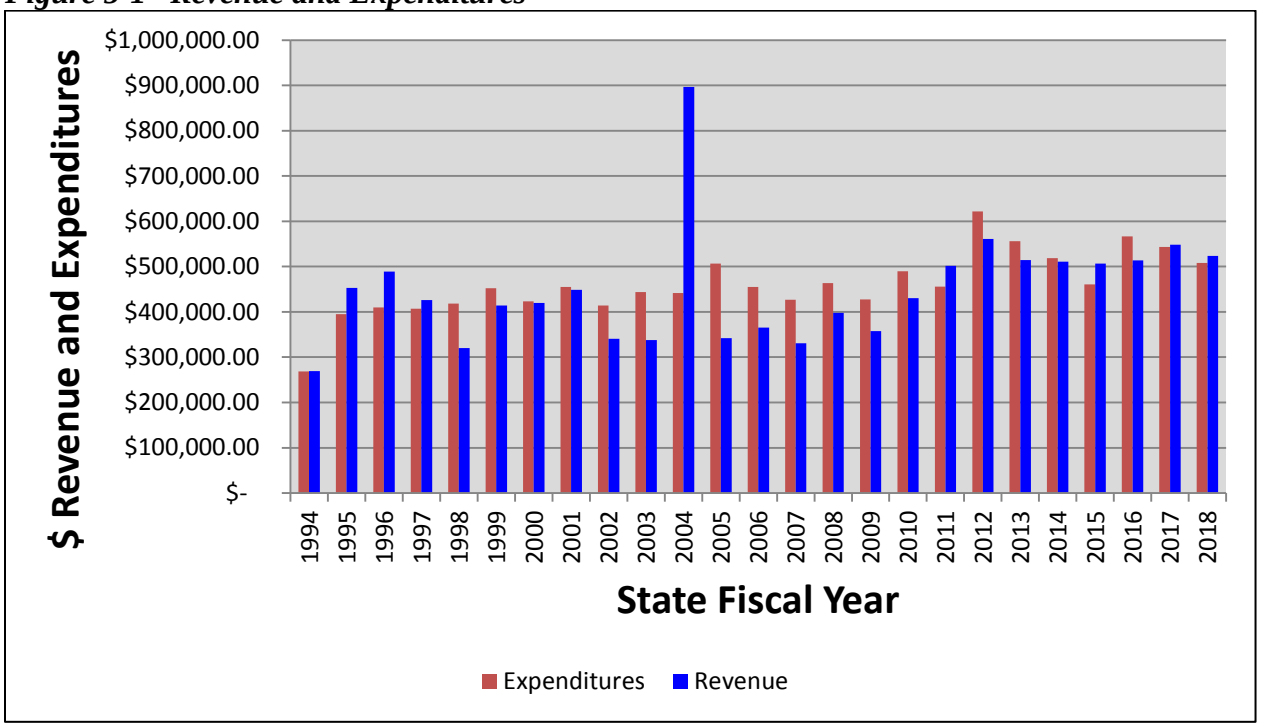
Table 5-1 – Revenue and Expenditures

State Fiscal Year	Annual Revenue	Interest	Fee Total [1]	Expenditure	Remaining Fees
1994	$269,421	-	$269,421	$268,661	$760
1995	$453,214	$5,589	$459,562	$394,991	$64,571
1996	$488,842	$12,032	$565,445	$409,617	$155,827
1997	$425,782	$20,419	$602,029	$406,727	$195,301
1998	$320,001	$22,932	$538,234	$418,133	$120,101
1999	$414,261	$20,659	$555,021	$451,837	$103,183
2000	$419,543	$17,919	$540,646	$423,086	$117,560
2001	$448,724	$17,094	$583,378	$454,924	$128,454
2002	$340,255	$22,393	$491,102	$413,978	$77,124
2003	$337,977	$14,855	$429,955	$443,549	($13,593)
2004	$896,187 [2]	$8,350	$890,944	$441,324	$449,620
2005	$342,267	$14,508	$806,394	$506,837	$299,557
2006	$365,490	$14,239	$679,287	$455,126	$224,160
2007	$330,463	$13,128	$567,751	$426,983	$140,768
2008	$397,925	$14,696	$553,389	$463,442	$89,946
2009	$357,247	$15,535	$462,729	$427,233	$35,495
2010	$430,470	$11,901	$477,866	$489,960	($12,093)
2011	$501,779	$10,600	$500,286	$455,519	$44,767

State Fiscal Year	Annual Revenue	Interest	Fee Total [1]	Expenditure	Remaining Fees
2012	$561,311	$8,199	$614,276	$622,014	($7,738)
2013	$514,573	$6,402	$513,238	$555,780	($42,542)
2014	$510,548	$3,286	$471,292	$518,671	($47,378)
2015	$506,309	$1,784	$460,714	$460,324	$390
2016	$513,466	$2,587	$516,443	$566,872	($50,429)
2017	$548,192	$2,937	$500,701	$543,554	($42,854)
2018	$523,723	$1,735	$482,604	$508,070	($25,466)

[1] – "Fee Total" is the sum of "Annual Fees," "Interest," and "Remaining Fees" from the previous year. For example, for state fiscal year 1995, the "Remaining Fees" would be $760; and
[2] – The annual fee includes the addition of $570,059, from an enforcement case.

Figure 5-1 –Revenue and Expenditures



Fee revenue peaked in 2012 at $561,311 with the last six years having dropped and/or remained consistent with an average of approximately $519,000. During that same time period expenditures peaked in 2012 at $622,014 with the last six years decreasing and fluctuating from approximately $460,000 to $567,000 with an average of about $526,000 per year. The fluctuations have made it difficult to maintain a positive balance budget as can be seen in the amount of funds carried over each year. For example, the average for the last six years was approximately a negative $35,000.

6.0 Fee Adjustment

Based on the last six years, DENR is losing on average approximately $35,000 per year in the implementation of the Title V air quality operating permit program. During these last six years, DENR collected on average approximately $519,000. Based on this information, DENR projects it will need to collect approximately $554,000.

From 1995 through 1998, the first four years of implementation of the program, DENR's expenditures were approximately $407,000 per year. Based upon the consumer price index, the inflationary rate was on average about 2 percent per year since 1999. If DENR considers a 2% inflationary rate, DENR projects it will need approximately $581,000.

During the revisions of the air fees in calendar year 2017, one of the proposals was to automatically increase the air fees based upon the consumer price index. At that time, DENR did receive support from the regulated community on that proposal. The regulated community identified that smaller increases in the air fees on a more frequent basis such as annually was preferred over one large increase once every few years.

DENR did receive a comment that identified that the underlying state law may not allow the air fees to automatically increase. South Dakota's state law does allow the air fee to be revised based upon the consumer price index but that increase would need to be changed each time by rule and not automatically. As such, the original proposal to automatically change the air fee by the consumer price index was not approved in December 2017.

To meet both general comments, DENR is proposing to use the consumer price index to increase the air fees by revising the rule. The consumer price index for "all urban consumers" identifies the annual average for calendar year 2018 as 2.44%.

6.1 Increase Present Fees Proportionately

DENR estimates it will need between $554,000 and $581,000 or approximately $567,500 on average to run the Title V air quality operating permit program. Therefore, DENR is proposing to increase all fees under ARSD §74:37:01 by 2.44% (see Table 6-1) and in most cases rounding up to the nearest dollar. The fee proposal is a 2.44% increase over the fees approved in December 2017, which took effect July 1, 2018. July 1, 2018, is the first day of fiscal year 2019.

Table 6-1: Proposed Fee Increase

Fee		Fees		
		FY2019	**Proposal**	**Difference**
Administrative	Actual < 50 tpy	$135	$138	2.22% increase
	Actual 50 but < 100 tpy	$650	$666	2.46% increase
	Actual ≥ 100 tpy	$1,350	$1,383	2.44% increase
$ per Ton	Actual Emissions	$8.10	$8.30	2.47% increase

Fee		Fees		
		FY2019	Proposal	Difference
Flat Fees	Asphalt plants	$325	$333	2.46% increase
	Rock crushers	$435	$446	2.53% increase
	Big Stone I	$238,000	$244,000	2.52% increase
	Minimum Fee	$270	$277	2.59% increase
Application	New permits	$135	$138	2.22% increase
	Renewals/Modifications	$135	$138	2.22% increase
	Construction permits	$135	$138	2.22% increase

At the time this document was prepared, the information for FY2019 was not available. Therefore, actual information used for comparison is based on the state fiscal year 2018 facilities and air emissions. The state fiscal 2018 information was used to project the actual state fiscal year air fees to compare to the proposed fees. Table 6-2 displays the estimated revenue that will be collected if the proposed increase is adopted.

Table 6-2 – Comparison of Projected Existing Fees for State FY2019 to the Proposed Fees

Fee		Number	Fees		
			FY2019	Proposal	Difference
Administrative	Actual < 50 tpy	16	$2,160	$2,208	$48
	Actual 50 but < 100 tpy	8	$5,200	$5,328	$128
	Actual => 100 tpy	19	$25,650	$26,277	$627
	Ethanol plants	15	$15,000	$15,000	$0
$ per Ton	Ethanol plants	2,772	$110,899	$110,899	$0
	Other Sources	6,257	$50,682	$51,933	$1,251
Flat Fees	Asphalt plants	41	$13,325	$13,653	$328
	Rock crushers	182	$79,170	$81,172	$2,002
	Big Stone	1	$238,000	$244,000	$6,000
	Minimum Fee	34	$9,180	$9,418	$238
Application	All	52	$7,020	$7,176	$156
Total =			**$556,286**	**$567,064**	**$10,778**

6.2 Comparison to Neighboring States

DENR reviewed the Title V air quality operating permit program fees the states surrounding South Dakota charge their facilities and businesses to determine if DENR is reasonable and gather ideas on if there are better ways to charge fees in South Dakota. Table 6-3 represents the information gathered from the neighboring state websites starting with North Dakota and rotating clockwise to Montana. The information for 2016 was based on the information DENR collected during the proposed fee increase in 2016.

Table 6-3 – Neighboring State Fees

State	2016	2018	Difference
North Dakota [1]	$14.95 per ton (criteria pollutants)	$15.23 per ton (criteria pollutants)	1.8% increase
	$31.14 per ton (hazardous air pollutants)	$31.73 per ton (criteria pollutants)	1.9% increase
	Minimum fee of $622.72	$634.54	1.9% increase
	Cap fees at 4,000 tons per year	Cap fees at 4,000 tons per year	No change
	$325 application fee for construction permit – hourly charge if processing costs exceed $325	$325 application fee for construction permit – hourly charge if processing costs exceed $325	No change
	No application fee for renewals or modifications	No application fee for renewals or modifications	No change
	$300 flat inspection fee for minor permits including synthetic minors and general permits	$300 flat inspection fee for minor permits including synthetic minors and general permits	No change
	$150 registration and filing fee for oil and gas wells	$150 registration and filing fee for oil and gas wells	No change
Minnesota	$86.76 per ton –fees adjusted every year based on the budget divided by the amount of tons expected for the year [2]	$119.66 per ton – fees adjusted every year based on the budget divided by the amount of tons expected for the year[2]	27.5% increase
	$21,375 application fee for new Title V permits [3, 4]	$21,375 application fee for new Title V permits [3, 4]	No change
	$7,125 application fee for modifying Title V permits [3, 4]	$7,125 application fee for modifying Title V permits [3, 4]	No change
	No application fee for renewals [3, 4]	No application fee for renewals [3, 4]	No change
Iowa [5]	$67.50 per ton. The $ per ton fee adjusted each year to cover costs.	$70.00 per ton. The $ per ton fee adjusted each year to cover costs.	3.6% increase
	Cap fees at 4,000 tons per year	Cap fees at 4,000 tons per year	No change
	$115 per hour processing fee for major construction permit application	$115 per hour processing fee for major construction permit application	No change
	$100 per hour processing fee for Title V new and renewal applications	$100 per hour processing fee for Title V new and renewal applications	No change
	$385 flat application fee for minor construction permits	$385 flat application fee for minor construction permits	No change

State	2016	2018	Difference
Nebraska	$70.00 per ton[6]	$78.00 per ton[6]	11.4% increase
	$250 construction application fee for sources that potential emit less than 50 tons per year[7]	$250 construction application fee for sources that potential emit less than 50 tons per year[7]	No change
	$1,500 construction application fee for sources that potential emit greater than 50 tons but less than 100 tons per year[7]	$1,500 construction application fee for sources that potential emit greater than 50 tons but less than 100 tons per year[7]	No change
	$3,000 construction application fee for sources that potential emit greater than 100 tons per year[7]	$3,000 construction application fee for sources that potential emit greater than 100 tons per year[7]	No change
Wyoming[8]	$34.50 per ton	$34.50 per ton	No change
	$500 minimum annual fee	$500 minimum annual fee	No change
	Cap fees at 4,000 tons per year	Cap fees at 4,000 tons per year	No change
	$100 fee per location for portable sources with a general permit	$100 fee per location for portable sources with a general permit	No change
	$250 fee per location for portable sources with an individual permit	$250 fee per location for portable sources with an individual permit	No change
	Hourly application fee and cost for other processes (i.e., public notices, public hearing)	Hourly application fee and cost for other processes (i.e., public notices, public hearing)	Website did not specify a dollar amount
Montana[9]	$800 annual administrative fee	$900 annual administrative fee	12.5 % increase
	$38.24 per ton, excluding portable facilities	$44.35 per ton, excluding portable facilities	16% increase
	$800 annual flat fee for portable facilities and oil and gas well facilities	$800 annual flat fee for portable facilities and $850 for oil and gas well facilities	No change
	$15,000 flat application fee for major source construction	$15,000 flat application fee for major source construction	No change
	$3,500 flat application fee for modification	$3,500 flat application fee for modification	No change
	$500 flat application fee for minor revision	$500 flat application fee for minor revision	No change
	$6,500 flat application fee for major operating permits	$6,500 flat application fee for major operating permits	No change

State	2016	2018	Difference
	$2,000 flat application fee for major operating permit renewal	$2,000 flat application fee for major operating permit renewal	No change
	$1,500 flat application fee for major operating permit modifications	$1,500 flat application fee for major operating permit modifications	No change

[1] – https://deq.nd.gov/aq/Fees.aspx;
[2] – https://www.pca.state.mn.us/air/emission-inventory-fees;
[3] – https://www.revisor.mn.gov/rules/?id=7002 and https://www.pca.state.mn.us/air/air-permit-fees;
[4] – Additional costs may occur depending on type of permit (i.e., modeling, subject to a New Source Performance Standards).
[5] – http://www.iowadnr.gov/Environmental-Protection/Air-Quality/Air-Quality-Fees;
[6] – http://deq.ne.gov/NDEQProg.nsf/OnWeb/AirEM;
[7]- http://deq.ne.gov/RuleAndR.nsf/RuleAndReg.xsp?documentId=032911C3ADEEDB60862565E700786E6C&action=openDocument;
[8] – http://deq.wyoming.gov/aqd/title-v-operating-permit-program/resources/about-title-v/; and
[9] – http://www.mtrules.org/gateway/ruleno.asp?RN=17.8.505.

6.2.1 Dollar per Ton Comparison

The dollar per ton fee increase from 2016 to 2018 for neighboring states averaged 12% with the lowest at 1.8% (North Dakota), and the highest at 27.5% (Minnesota). The proposed dollar per ton fee is lower than any of our neighboring states. Therefore, DENR believes its proposed 2.44% increase is reasonable.

6.2.2 Administrative Fee Comparison

Montana appears to be the only other neighboring state that applies an annual administrative fee. Montana's is set at $900 for all Title V air quality operating permits. DENR established its administrative fee based on the amount of annual air emissions. The first category is those that emit less than 50 tons per year. The second category is those that emit less than 100 tons per year but greater than or equal to 50 tons per year. The third category is those that emit 100 tons per year or more. The break out of categories based on annual air emissions ensures the more a facility emits the more it pays in fees. This in turn helps promote facilities to reduce air emissions.

DENR is proposing to increase the administrative fee for the first, second and third category to $138, $666, and $1,383, respectively. The average of the three categories is approximately $729 which is less than what Montana charges all facilities. Therefore, DENR believes its proposed 2.44% increase for all three categories is reasonable.

6.2.3 Application Fee Comparison

All six neighboring states charge an application fee. For example, Nebraska charges an application fee between $250 and $3,000. North Dakota charges a flat fee of $325 dollars but if the cost of the application review exceeds the flat fee, the applicant is charged for the additional time. Iowa and Wyoming charge an hourly fee to process permit applications. Minnesota charges a flat fee depending on the type of application which ranges from $21,375 for new Title V air quality operating permits to $7,125 for modifications. Montana charges a flat fee ranging from $6,500 for a new permit to $500 for a minor revision to the permit. North Dakota and Minnesota do not charge an application fee for renewals.

DENR charges the same application fee for construction of a major source, a new Title V air quality operating permit, modification of a Title V air quality operating permit, and the renewal of a Title V air quality operating permit. These are applications that require a public notice in the local newspaper. DENR does not charge an application fee for a minor revision because a public notice is not required. DENR believes an increase in the application fee to $138 is reasonable.

6.2.4 Air Emission Caps

Three out of the six neighboring states cap the amount of air emissions required to pay fees at 4,000 tons per year per criteria air pollutant. The only facility in South Dakota that exceeds the 4,000 tons per year per criteria air pollutant and that is the Big Stone Power Plant. However, with the new air pollution controls installed at the Big Stone Power Plant, it may not exceed that threshold. In addition, the Big Stone Power Plant pays a flat fee. Since the cap would not impact any existing facilities, DENR is not proposing a cap.

6.2.5 Minimum Fee Comparison

North Dakota and Wyoming charge a minimum fee of $634.54 and $500 per year, respectively. DENR is proposing to increase its minimum fee to $277 which is reasonable.

6.2.6 Annual Fee Increase

Although DENR strives to project expenses it is difficult when EPA continues to add additional requirements in which DENR is required to implement to maintain the Title V air quality operating permit program. In addition, it is hard to predict the number of facilities and businesses covered by the program and the amount of air emissions emitted each year.

In the last six years, the Title V air quality operating permit program encountered 3 state fiscal years of overspending and 3 years with a surplus. During these 6 years, difference between revenue and expenditures ranged from approximately a $53,000 deficit in 2016 to approximately a positive $46,000 surplus in 2015. The three years of overspending average approximately a deficit of $34,000, whereas, the four years of surplus averaged approximately a $22,000 surplus. At the end of the state fiscal year, the deficit or a surplus is carried over to the next fiscal year. In five out of the last six years, DENR has carried over a deficit to the next fiscal year. As such,

the air quality subfund will carry over approximately a $25,000 deficit to begin state fiscal year 2019.

Therefore, DENR plans to consider revising the air fees annually as allowed under SDCL 34A-1-58 if the air quality subfund has a surplus of $50,000 or less during the last state fiscal year. The annual fee increase would be based on the consumer price index for that calendar year.

7.0 Air Fees Payable

The changes to SDCL 34A-1-60 will become effective on July 1, 2019. DENR proposes to change the corresponding Administrative Rule to align with the language in SDCL 34A-1-60, General Authority, and reference that the fees are payable to the Department of Environment and Natural Resources instead of the Department of Revenue, see changes in Appendix A.

8.0 Conclusion

DENR needs to currently generate approximately $567,000 per year to continue to implement the Title V air quality operating permit program. DENR is proposing to raise each fee proportionally at approximately 2% as listed below starting in state fiscal year 2020 (payable July 1, 2019):

1. Annual administrative fees for sources emitting less than 50 tons per year of pollutants will increase from $135 to $138. For sources emitting more than 50 tons but less than 100 tons, the annual fee will increase from $650 to $666. For sources emitting 100 tons or more of pollution each year, the fee will increase from $1,350 to $1,383;
2. The fee for the actual amount of pollution emitted from each permitted air pollution source will increase from $8.10 per ton to $8.30 per ton;
3. The annual minimum fee paid by any permitted source for items number 1 and 2 above will increase from $270 to $277;
4. The application fee for a construction permit for a source required to obtain a Title V air quality operating permit, a new Title V air quality operating permit, a modification to a construction or Title V air quality operating permit, and the renewal of a Title V air quality operating permit will increase from $135 to $138;
5. The annual fee for rock crushers subject to the Title V air quality operating permit program will increase from $435 to $446. Rock crushers are not subject to the emissions fee in item 1 and 2 above.
6. The annual fee for asphalt plants subject to the Title V air quality operating permit program will increase from $325 to $333. Asphalt plants are not subject to the emissions fee in item 1 and 2 above.
7. The annual fee for the Big Stone coal-fired power plant will increase from $220,000 to $244,000. The Big Stone coal-fired power plant will not be subject to emissions fees in item 1 and 2 above.

For future fiscal years, DENR plans to consider using the Consumer Price Index to increase the air fees as allowed under SDCL 34A-1-58, but only if the fee reserve in the previous fiscal year is less than or equal to $50,000.

DENR expects these fee changes will provide sufficient fees to implement the Title V air quality operating permit program now and into the future.

DENR proposes to change the account payable Department reference in the Administrative Rule to align with the payable Department reference in the Codified Law.

Appendix A provides the proposed revisions to Article 74:37 – Air Pollution Control Program Fees of the Administrative Rules of South Dakota.

Appendix A

Proposed Revisions to

Chapter 74:37:01

Air Emission Fees

ARTICLE 74:37

AIR POLLUTION CONTROL PROGRAM FEES

Chapter

CHAPTER 74:37:01

AIR EMISSION FEES

Section

74:37:01:07.01 Flat fee for asphalt plants.

74:37:01:07.02 Flat fee for coal-fired power plants.

74:37:01:08 Notification of source.

74:37:01:09 Notification of error.

74:37:01:03.01. (Effective through ~~June 30, 2018~~ June 30, 2019) Application fee. An applicant for a construction permit for a source that is considered a major source as defined in § 74:36:01:08, an initial Part 70 operating permit as defined in § 74:36:01:01, a general permit for a Part 70 source as defined in § 74:36:01:01, a permit renewal for a Part 70 operating permit, or a permit modification for a Part 70 operating permit shall submit an application fee of ~~$125~~ $135.

(Effective ~~July 1, 2018~~ July 1, 2019) Application fee. An applicant for a construction permit for a source that is considered a major source as defined in § 74:36:01:08, an initial Part 70 operating permit as defined in § 74:36:01:01, a general permit for a Part 70 source as defined in § 74:36:01:01, a permit renewal for a Part 70 operating permit, or a permit modification for a Part 70 operating permit shall submit an application fee of ~~$135~~ $138.

Source: 36 SDR 208, effective June 28, 2010; 44 SDR 94, (adopted December 5, 2017) effective July 1, 2018.

General Authority: SDCL 34A-1-58.

Law Implemented: SDCL 34A-1-58.

74:37:01:04. Administrative fee. Existing sources with a Part 70 operating permit as defined in § 74:36:01:01, except single rock crushers or single asphalt plants with a general permit, shall pay an annual administrative fee based on actual emissions by the source during the previous calendar year according to the following tier system:

(1) Less than 50 tons per year, ~~$135~~ $138;

(2) Fifty to less than 100 tons per year, ~~$650~~ $666; and

(3) Equal to or greater than 100 tons per year, ~~$1,350~~ $1,383.

Source: 19 SDR 199, effective July 1, 1993; 20 SDR 218, effective July 1, 1994; 36 SDR 208, effective June 28, 2010; 44 SDR 94, effective December 5, 2017.

General Authority: SDCL 34A-1-58.

Law Implemented: SDCL 34A-1-58.

Cross-Reference: Notification of source, § 74:37:01:08.

74:37:01:05. Annual air emission fee. In addition to the fee established in § 74:37:01:04, the owner or operator of a Part 70 source as defined in § 74:36:01:01, except single rock crushers or single asphalt plants with a general permit, shall pay an annual air emission fee for each ton of a regulated air pollutant emitted to the air by the source during the previous calendar year. The annual air emission fee is ~~$8.10~~ $8.30 per ton of each regulated pollutant. If the combined administrative fee and annual air emission fee is less than ~~$270~~ $277, the Part 70 source shall pay a minimum fee of ~~$270~~ $277.

Source: 19 SDR 199, effective July 1, 1993; 20 SDR 218, effective July 1, 1994; 36 SDR 208, effective June 28, 2010; 44 SDR 94, effective December 5, 2017.

General Authority: SDCL 34A-1-58.

Law Implemented: SDCL 34A-1-58.

74:37:01:07. Flat fee for rock crushers. The annual flat fee for an existing single rock crusher with a general permit is ~~$435~~ $446. The administrative fee in § 74:37:01:04, the annual air emission fee in § 74:37:01:05, and the annual operational report in § 74:37:01:06 do not apply to any single rock crusher with a general permit.

Source: 19 SDR 199, effective July 1, 1993; 20 SDR 218, effective July 1, 1994; 36 SDR 208, effective June 28, 2010; 44 SDR 94, effective December 5, 2017.

General Authority: SDCL 34A-1-58.

Law Implemented: SDCL 34A-1-58.

74:37:01:07.01. Flat fee for asphalt plants. The annual flat fee for an existing single asphalt plant with a general permit is ~~$325~~ $333. The administrative fee in § 74:37:01:04, the annual air emission fee in § 74:37:01:05, and the annual operational report in § 74:37:01:06 do not apply to any single asphalt plant with a general permit.

Source: 20 SDR 218, effective July 1, 1994; 36 SDR 208, effective June 28, 2010; 44 SDR 94, effective December 5, 2017.

General Authority: SDCL 34A-1-58.

Law Implemented: SDCL 34A-1-58.

74:37:01:07.02. Flat fee for coal-fired power plants. The annual flat fee for any coal-fired power plant with a maximum heat output rate of 400 megawatts or greater is ~~$238,000~~ $244,000. A coal-fired power plant means any person, corporation, limited liability company, association, company, partnership, political subdivision, municipality, rural electric cooperative, consumers power district, or any group or combination acting as a unit, owning or holding under lease, or otherwise, real property used, or intended for use, for the conversion of coal into electric power. The administrative fee in § 74:37:01:04 and the annual air emission fee in § 74:37:01:05 do not apply.

Source: 36 SDR 208, effective June 28, 2010; 44 SDR 94, effective December 5, 2017.

General Authority: SDCL 34A-1-58.

Law Implemented: SDCL 34A-1-58.

74:37:01:08. Notification of source. The department shall notify the owner or operator of the source of the amount of the required annual air emission fee and administrative fee or flat fee by June 1 of each calendar year. The fees shall accrue on July 1 and are payable to the ~~department of revenue~~ Department of Environment and Natural Resources by July 31 of each year.

Source: 19 SDR 199, effective July 1, 1993.

General Authority: SDCL 34A-1-58, 34A-1-60.

Law Implemented: SDCL 34A-1-60.

ATTACHMENT 4

AIR FEES EXPENDITURE STATEMENT

EXPENDITURE STATEMENT: AIR FEES 03.31.2021

	Personal Services	Employee Benefits	Travel	Contractual Services	Supplies	Capital Assets	Sub Total	Indirect Costs	Total
OTHER 3072									
2020-300790 Surface Wtr	$4,596.72	$1,179.37	$7.00	$284.15	$0.00	$0.00	$6,067.24	$597.57	$6,664.81
2020-400790 M&M	$55,257.09	$14,981.63	$3,415.63	$565.89	$0.00	$0.00	$74,220.24	$7,183.42	$81,403.66
2020-443790-Board	$0.00	$0.00	$0.00	$7.71	$0.00	$0.00	$7.71	$0.00	$7.71
2020-600790 Waste Managem	$5,558.50	$2,647.00	$0.00	$138.01	$0.00	$0.00	$8,343.51	$722.61	$9,066.12
2020-900790 Air Prog	$129,606.78	$37,945.34	$4,458.85	$16,958.72	$2,203.08	$10,642.54	$201,815.31	$16,848.88	$218,664.19
FY 2021 Total	$195,019.09	$56,753.34	$7,881.48	$17,954.48	$2,203.08	$10,642.54	$290,454.01	$25,352.48	$315,806.49
FY 2020 Total	$329,072.77	$101,605.17	$10,888.73	$28,715.65	$3,358.05	$11,484.41	$485,124.78	$55,284.23	$540,409.01
FY 2019 TOTAl	$358,903.54	$94,620.42	$11,111.02	$32,358.58	$2,914.80	$20,648.85	$520,557.21	$59,936.89	$580,494.10
FY 2018 TOTAl	$315,320.42	$88,759.08	$12,803.88	$41,621.90	$1,587.30	$363.93	$460,456.51	$47,613.38	$508,069.89
FY 2017 TOTAl	$337,357.20	$88,566.20	$8,231.07	$59,667.47	$2,450.12	$1,064.28	$497,336.34	$46,217.94	$543,554.28
FY 2016 TOTAl	$360,998.34	$85,381.43	$9,181.12	$50,915.45	$4,796.85	$2,170.70	$513,443.89	$53,427.75	$566,871.64
FY 2015 TOTAl	$281,248.45	$78,981.51	$9,919.94	$28,340.99	$2,917.39	$15,603.43	$417,011.71	$43,312.26	$460,323.97
Thru FY 14 TOTAL	$5,687,411.01	$1,337,247.87	$240,301.17	$670,311.19	$87,652.62	$411,941.97	$8,434,865.83	$1,013,527.79	$9,448,393.62
TOTAL OTHER EXP	$7,865,330.82	$1,931,915.02	$310,318.41	$929,885.71	$107,880.21	$473,920.11	$11,619,250.28	$1,344,672.72	$12,963,923.00

REVENUE 2021	$583,272.00				
REVENUE 2020	$569,328.52			TOTAL IND COST EARNED	$1,344,672.72
REVENUE 2019	$555,972.58	System Cash Balance		LESS TRANSFERRED	$1,319,320.24
REVENUE 2018	$523,847.87	2000000790	($1,940,202.09)	BALANCE TO TRANSFER	$25,352.48
REVENUE 2017	$545,989.92	2000000790 acct Z	$569,328.52		
Correction 2017 Revenue	$2,202.43	2000000790 acct 0	($10,583.61)		
REVENUE 2016	$513,466.29	2000000790 acct 1	$582,242.00		
REVENUE Thru 15	$9,632,587.36	2000000790 acct 2	$892.00		
Inv Int- Thru 16	$282,043.65	2000000790 acct 8	$523,847.87		
17	$1,734.53	2000000790 acct 9	$555,972.58		
18	$1,949.56	IC TO TRANSFER	($25,352.48)		
19	$3,684.86	Cash Adj.			
20	$3,988.22				
EXP	$12,963,923.00	CASH BALANCE	$256,144.79	($0.00)	
CASH BALANCE	$256,144.79				

CONTRACTS	Contract Ends	CONTRACT AMOUNT	EXPENDITURES	BALANCE	REVERSIONS	BALANCE
Scott Environmental BH	07/31/19	$8,279.88	$8,279.88	$0.00	$0.00	$0.00
Jack Jensen	12/31/19	$360.00	$120.00	$240.00	$240.00	$0.00
Aberdeen	01/31/20	$195.00	$130.00	$65.00	$65.00	$0.00
Scott Environmental Wt	05/31/20	$1,140.00	$988.50	$151.50	$151.50	$0.00
Patricia Sampson	01/31/21	$3,585.60	$2,428.00	$1,157.60	$0.00	$1,157.60
Kevin Gustafson	01/31/21	$2,294.40	$1,162.95	$1,131.45	$0.00	$1,131.45
Scott Environmental-W	07/31/21	$21,800.00	$3,102.15	$18,697.85	$0.00	$18,697.85
Scott Environmental	05/30/22	$1,380.00	$64.65	$1,315.35	$0.00	$1,315.35
		$30,755.00	$7,996.25	$22,758.75	$456.50	$22,302.25

ATTACHMENT 5

AIR POLLUTION CONTROL GRANT (PPG) EXPENDITURE STATEMENT

EXPENDITURE STATEMENT: AIR POLLUTION CONTROL GRANT PPG FFY19 10-01-2018 THRU 9-30-2020 03/31/2021

	Personal Services	Employee Benefits	Travel	Contractual Services	Supplies	Capital Assets	Grants	Subtotal / Total	Indirect Costs	Total
General 1000										
2010-30026164 Acct 9	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00		
2020-10026164	$0.00	$0.00	$0.00	$1,173.86	$0.00	$0.00	$0.00	$1,173.86		
2020-20026164	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00		
2020-30026164	$572.69	$187.86	$0.00	$0.00	$0.00	$0.00	$0.00	$760.55		
2020-40026164	$1,205.85	$314.04	$0.00	$0.00	$0.00	$0.00	$0.00	$1,519.89		
2020-44326164	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00		
2020-50026164	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00		
2020-60026164	$14,606.72	$4,547.21	$0.00	$329.91	$0.00	$0.00	$0.00	$19,483.84		
2020-70026164	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00		
2020-90026164	$61,704.72	$19,286.01	$0.00	$5,871.25	$278.11	$3,065.90	$0.00	$90,205.99		
ASBESTOS FEES	$2,878.72	$838.66	$147.36	$214.08	$0.00	$0.00	$0.00	$4,078.82		
RAPID CITY MATCH	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$3,633.92	$3,633.92		
SFY 21 TOTAL	$80,968.70	$25,173.78	$147.36	$7,589.10	$278.11	$3,065.90	$3,633.92	$120,856.87	$10,115.40	$130,972.27
SFY 20 TOTAL	$135,110.74	$41,616.51	$2,541.90	$6,984.69	$2,860.94	$3,159.91	$18,924.63	$211,199.32	$21,096.86	$232,296.18
SFY 19 TOTAL	$92,621.30	$24,417.92	$253.13	$1,539.44	$201.61	$0.00	$16,888.32	$135,921.72	$13,707.06	$149,628.78
TOTAL GEN EXP	$308,700.74	$91,208.21	$2,942.39	$16,113.23	$3,340.66	$6,225.81	$39,446.87	$467,977.91	$44,919.32	$512,897.23
Federal 2002										
2010-30026164 Acct 9	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00		
2020-10026164	$0.00	$0.00	$0.00	$4,161.88	$0.00	$0.00	$0.00	$4,161.88		
2020-20026164	$0.00	$0.00	$0.00	$729.47	$0.00	$0.00	$0.00	$729.47		
2020-30026164	$2,154.92	$708.44	$7.00	$277.50	$0.00	$0.00	$0.00	$3,147.86		
2020-40026164	$4,403.37	$1,148.40	$0.00	$321.33	$0.00	$0.00	$0.00	$5,873.10		
2020-44326164	$0.00	$0.00	$0.00	$6.55	$0.00	$0.00	$0.00	$6.55		
2020-50026164	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00		
2020-60026164	$53,336.59	$16,620.25	$1,890.84	$3,420.50	$0.00	$0.00	$0.00	$75,268.18		
2020-70026164	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00		
2020-90026164	$225,304.80	$70,454.54	$7,176.38	$53,198.92	$4,409.73	$14,473.32	$19,555.51	$394,573.20		
FED INKIND	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00		
SFY 21 TOTAL	$285,199.68	$88,931.63	$9,074.22	$62,116.15	$4,409.73	$14,473.32	$19,555.51	$483,760.24	$37,486.49	$521,246.73
SFY 20 TOTAL	$455,837.61	$143,082.51	$11,536.28	$70,575.28	$15,688.83	$56,469.18	$44,157.46	$797,347.15	$78,182.47	$875,529.62
SFY 19 TOTAL	$293,629.09	$81,580.28	$10,982.80	$53,651.50	$6,076.25	$45,702.58	$39,406.07	$531,028.57	$50,796.75	$581,825.32
TOTAL FED EXP	$1,034,666.38	$313,594.42	$31,593.30	$186,342.93	$26,174.81	$116,645.08	$103,119.04	$1,812,135.96	$166,465.71	$1,978,601.67

	BUDGET	$2,464,936.00	
	EXP	$1,978,601.67	
	BALANCE	$486,334.33	TOTAL FED & GEN EXP $2,491,498.90
Cash Balance			
2000000026164 Acct 9	($1,812,055.74)		Fed. Share 78.75%
FED IC TO TRANSFER	($166,465.71)	CONTRACT AMT	$72,485.23
Adj	($80.22) **	EXP	$34,695.50 Fed. Exp $1,962,055.38
		REVERSIONS	$1,964.00
FED CASH BALANCE	($1,978,601.67)		
		BALANCE ON CONT	$35,825.73
In Kind	$0.00		
Less:Fed Exp	$1,978,601.67		
		NET BALANCE	$450,508.60
Fed Cash Bal	($1,978,601.67)		

**Verizon was paid on 04/02/2021

			FED CONTRACT AMOUNT	EXP	REVERSIONS	BALANCE
	CONTRACTS	Contract Ends				

Jack Jensen	12/31/2019 ($520/yr)	Carryover from 18	$1,040.00	$0.00	$1,040.00	$0.00
Pierre	03/31/2018	Carryover from 18	$31.86	$31.86	$0.00	$0.00
Kevin Gustafson	01/31/2019 (2,356/yr)	Carryover from 18	$789.60	$789.60	$0.00	$0.00
Aberdeen	01/31/2020 (295/yr)	Carryover from 18	$390.00	$195.00	$0.00	$195.00
Patricia Sampson	01/31/2019 (4,329/yr)	Carryover from 18	$2,248.40	$1,324.40	$924.00	$0.00
Scott Environment	07/31/2019 (10,003/yr)	Carryover from 18	$8,405.88	$7,725.33	$0.00	$680.55
Inter-Mtn Labs	12/31/2019 (5,579.5/yr	Carryover from 18	$7,851.49	$8,985.41	$0.00	($1,133.92)
Pace Analytical	12/31/2021		$2,800.00	$1,010.64	$0.00	$1,789.36
Evan LaFrance	12/17 (520/yr)	Carryover from 18	$1,560.00	$1,159.60	$0.00	$400.40
Eastern SD Soil	12/22 (180/yr)	Carryover from 18	$900.00	$221.40	$0.00	$678.60
Scott Environment - W	05/31/2020 (1,330/yr)	Carryover from 18	$2,296.00	$2,511.83	$0.00	($215.83)
Patricia Sampson	01/31/21		$8,366.40	$705.57	$0.00	$7,660.83
Patricia Sampson	01/31/2023		$8,652.00	$326.20	$0.00	$8,325.80
Kevin Gustafson	01/31/21		$5,353.60	$2,698.13	$0.00	$2,655.47
Scott Environmental	07/31/21		$21,800.00	$7,010.53	$0.00	$14,789.47
			$72,485.23	$34,695.50	$1,964.00	$35,825.73

ATTACHMENT 6

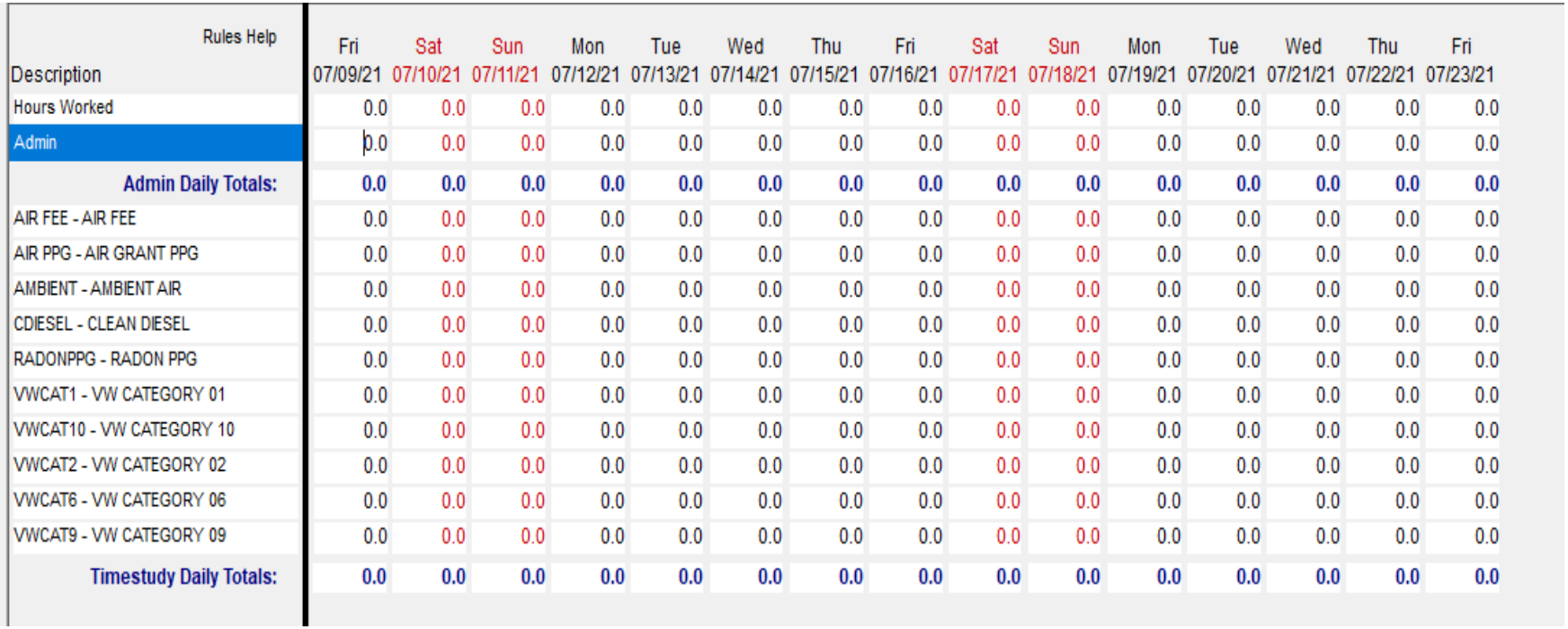
SOUTH DAKOTA HISTORICAL EXPENDITURES AND REVENUE

State Fiscal Year	Expenditure	Revenue	Interest	Other	Total Fee (Revenue)	Remaining Fee (Carry Over)
1994	$ 268,661.43	$ 269,421.00			$ 269,421.00	$ 759.57
1995	$ 394,990.93	$ 453,213.60	$5,589.00		$ 459,562.17	$ 64,571.24
1996	$ 409,617.40	$ 488,842.31	$12,032.00		$ 565,445.55	$ 155,828.15
1997	$ 406,727.17	$ 425,782.19	$20,419.00		$ 602,029.34	$ 195,302.17
1998	$ 418,133.18	$ 320,000.60	$22,932.00		$ 538,234.77	$ 120,101.59
1999	$ 451,837.26	$ 414,260.65	$20,659.00		$ 555,021.24	$ 103,183.98
2000	$ 423,085.75	$ 419,543.46	$17,919.00		$ 540,646.44	$ 117,560.69
2001	$ 454,923.82	$ 448,723.66	$17,094.00		$ 583,378.35	$ 128,454.53
2002	$ 413,978.41	$ 340,254.93	$22,393.00		$ 491,102.46	$ 77,124.05
2003	$ 443,548.51	$ 337,976.91	$14,855.00		$ 429,955.96	$ (13,592.55)
2004	$ 441,324.27	$ 326,127.76	$8,350.00	$ 570,059.00	$ 890,944.21	$ 449,619.94
2005	$ 506,836.92	$ 342,267.01	$14,507.76		$ 806,394.71	$ 299,557.79
2006	$ 455,126.21	$ 365,489.81	$14,239.45		$ 679,287.05	$ 224,160.84
2007	$ 426,983.30	$ 330,462.54	$13,127.85		$ 567,751.23	$ 140,767.93
2008	$ 463,442.10	$ 397,925.01	$14,696.00		$ 553,388.94	$ 89,946.84
2009	$ 427,233.46	$ 357,247.44	$15,534.98		$ 462,729.26	$ 35,495.80
2010	$ 489,959.70	$ 430,469.64	$11,901.24		$ 477,866.68	$ (12,093.02)
2011	$ 455,519.28	$ 501,778.95	$10,600.20		$ 500,286.13	$ 44,766.85
2012	$ 622,013.83	$ 561,310.79	$8,198.78		$ 614,276.42	$ (7,737.41)
2013	$ 555,780.03	$ 514,573.39	$6,402.44		$ 513,238.42	$ (42,541.61)
2014	$ 518,670.67	$ 510,548.08	$3,286.37		$ 471,292.84	$ (47,377.83)
2015	$ 460,323.97	$ 506,308.63	$1,783.64		$ 460,714.44	$ 390.47
2016	$ 566,871.64	$ 513,466.29	$2,586.53		$ 516,443.29	$ (50,428.35)
2017	$ 543,554.28	$ 548,192.35	$2,936.76		$ 500,700.76	$ (42,853.52)
2018	$ 508,069.89	$ 523,847.87	$1,734.53		$ 482,728.88	$ (25,341.01)
2019	$ 580,494.10	$ 555,972.58	$1,949.56		$ 532,581.13	$ (47,912.97)
2020	$ 540,409.01	$ 569,466.52	$3,684.86		$ 525,238.41	$ (15,170.60)
2021	$ 441,818.06	$ 584,726.00	$3,988.22		$ 573,543.62	$ 131,725.56

Once 2021 Fiscal Years numbers are finalized -expenditure needs updated

ATTACHMENT 7

TIME KEEPING SCREENSHOT



Rules Help Description	Fri 07/09/21	Sat 07/10/21	Sun 07/11/21	Mon 07/12/21	Tue 07/13/21	Wed 07/14/21	Thu 07/15/21	Fri 07/16/21	Sat 07/17/21	Sun 07/18/21	Mon 07/19/21	Tue 07/20/21	Wed 07/21/21	Thu 07/22/21	Fri 07/23/21
Hours Worked	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Admin	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Admin Daily Totals:	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
AIR FEE - AIR FEE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
AIR PPG - AIR GRANT PPG	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
AMBIENT - AMBIENT AIR	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CDIESEL - CLEAN DIESEL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
RADONPPG - RADON PPG	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
VWCAT1 - VW CATEGORY 01	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
VWCAT10 - VW CATEGORY 10	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
VWCAT2 - VW CATEGORY 02	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
VWCAT6 - VW CATEGORY 06	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
VWCAT9 - VW CATEGORY 09	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Timestudy Daily Totals:	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

1. AIR FEE – AIR FEE – Is the time keeping system code to charge to Title V air quality fees
2. AIR PPG – AIR GRANT PPG – Is the time keeping system code to charge to Partnership Grant associated with the 105 Air Grant
3. RADONPPG – RADON PPG – Is the time keeping system code to charge to Partnership Grant associated with the Radon Grant

ATTACHMENT 8

TRAVEL REIMBURSEMENT EXAMPLE

PAYMENT REQUEST

DATE: February 4, 2021

FROM: Department of Environment and Nat. Resources
Air Quality
523 E Capitol Ave.
Pierre SD 57501

PAYEE:

DESCRIPTION: Travel Reimbursement

FUNDING SOURCE: 100% Air Fees

AMOUNT: $14.00

COMMENTS:

I declare and affirm under the penalties of perjury that this claim is in all things, true and correct. I further agree to comply with the provisions of the Civil Rights Act of 1964 and regulation issues thereunder relating to nondiscrimination in federally assisted programs.

Authorization

2-4-2021
Date

State of South Dakota

Travel Payment Detail

(Not Valid Unless Accompanied By Approved Voucher)

Name:

Invoice ID	Date	Employee ID Number	Return Date	Advance	Expense	License No.	Home Station
	02/02/21		01/26/21				Pierre

Date Mo./Day	Description of Travel Destination, Miles, Misc. Expense Etc.	Time		Auto	Trans.		Miscellaneous	
		Leave	Return	Miles	Cost	Meals	Lodging	Expense
01/26/2021	Pierre to Rapid City	7:00 AM	7:30 PM			$14.00		
	(100% Air Fees)							
			SUBTOTALS	0	0.00	$14.00	0.00	0.00

GRAND TOTAL	$14.00
APPLY TO ADVANCE	
AMOUNT REIMBURSABLE	$14.00

Purpose of Travel Inspections in Rapid City Area

I declare and affirm under the penalties of perjury that this claim has been examined by me, and to the best of my knowledge and belief, is in all things true and correct.

Date

[illegible signature]

Authorization

2-4-2021

Date

Authorization

Date

PAYMENT REQUEST

DATE: May 27, 2021

FROM: Department of Agriculture and Natural Resources
Air Quality
523 E Capitol Ave.
Pierre SD 57501

PAYEE:

DESCRIPTION: Travel Reimbursement

FUNDING SOURCE: 25% Air Grant
75% Air Fees

AMOUNT: $54.00

COMMENTS:

I declare and affirm under the penalties of perjury that this claim is in all things, true and correct. I further agree to comply with the provisions of the Civil Rights Act of 1964 and regulation issues thereunder relating to nondiscrimination in federally assisted programs.

Kyle Kirk 5-27-2021

Authorization Date

State of South Dakota

Travel Payment Detail

(Not Valid Unless Accompanied By Approved Voucher)

Name: [redacted]

Invoice ID	Date	Employee ID Number	Return Date	Advance	Expense	License No.	Home Station
	05/27/21		05/26/21				Pierre

Date Mo./Day	Description of Travel Destination, Miles, Misc. Expense Etc.	Time Leave	Time Return	Auto Miles	Trans. Cost	Meals	Miscellaneous Lodging	Miscellaneous Expense
05/25/2021	Pierre to Aberdeen	7:00 AM				$34.00		
	(75% Air Fees 25% Air Grant)							
	*Lodging Direct Billed							
05/26/2021	Brandon to Pierre		7:00 PM			$20.00		
			SUBTOTALS	0	0.00	$54.00	0.00	0.00

GRAND TOTAL	$54.00
APPLY TO ADVANCE	
AMOUNT REIMBURSABLE	$54.00

Purpose of Travel: Inspections in Aberdeen and Brandon Area

I declare and affirm under the penalties of perjury that this claim has been examined by me, and to the best of my knowledge and belief in all things true and correct.

5/27/2021
Date

[redacted]
Authorization

5-27-2021
Date

Authorization

Date

PAYMENT REQUEST

DATE: July 1, 2021

FROM: Department of Agriculture and Natural Resources
Air Quality
523 E Capitol Ave.
Pierre SD 57501

PAYEE: [illegible]

DESCRIPTION: Travel Reimbursement

FUNDING SOURCE: 33% Air Grant
67% Air Fees

AMOUNT: $54.00

COMMENTS:

I declare and affirm under the penalties of perjury that this claim is in all things, true and correct. I further agree to comply with the provisions of the Civil Rights Act of 1964 and regulation issues thereunder relating to nondiscrimination in federally assisted programs.

______________________ 7-1-2021
Authorization Date

State of South Dakota

Travel Payment Detail

(Not Valid Unless Accompanied By Approved Voucher)

Name:

Invoice ID	Date	Employee ID Number	Return Date	Advance	Expense	License No.	Home Station
	07/01/21		06/30/21				Pierre

Date Mo./Day	Description of Travel Destination, Miles, Misc. Expense Etc.	Time Leave	Time Return	Auto Miles	Trans. Cost	Meals	Miscellaneous Lodging	Miscellaneous Expense
06/29/2021	Pierre to Aberdeen	7 00 AM				$34.00		
	(67% Air Fees 33% Air Grant)							
	*Lodging Direct Billed							
06/30/2021	Aberdeen to Pierre		6:30 PM			$20.00		
			SUBTOTALS	0	0.00	$54.00	0.00	0.00

GRAND TOTAL	$54 00
APPLY TO ADVANCE	
AMOUNT REIMBURSABLE	$54 00

Purpose of Travel: Inspections in Aberdeen Area

I declare and affirm under the penalties of perjury that this claim has been examined by me, and to the best of my knowledge and belief, is in all things true and correct.

7/1/2021
Date

Authorization

7-1-2021
Date

Authorization

Date

PAYMENT REQUEST

DATE: July 1, 2021

FROM: Department of Agriculture & Natural Resources
Air Quality Program
523 East Capitol Avenue
Pierre, SD 57501

PAYEE: Super 8 Aberdeen
2405 S. E. 6th Avenue
Aberdeen, SD 57401

DESCRIPTION: Payment for lodging on

FUNDING SOURCE: 33% Air Grant
67% Air Fees

AMOUNT: $77.00

COMMENTS:

I declare and affirm under the penalties of perjury that this claim is in all things, true and correct. I further agree to comply with the provisions of the Civil Rights Act of 1964 and regulation issued thereunder relating to nondiscrimination in federally assisted programs.

7-1-2021

AUTHORIZATION **DATE**

SUPER 8 ABERDEEN
2405 S.E. 6TH AVE.
ABERDEEN, SD 57401 US
Phone: (605) 229-5005
Fax: (605) 229-5006
Email: aberdeens8@legacymgmt.org
Printed: 7/1/2021 1:24:08 PM

Date Of Invoice: 7/1/2021
Last Invoice:
Amount Due: $77.00
Enclosed Amount:

Bill To:
*SD STATE DENR
523 E CAPITAL
PIERRE, SD 57501
US

605-773-3352

Account	Invoice #	Date	Comments	Type	Amount	Applied	Balance
306-965017		6/30/2021		DR	$83.76	($6.76)	$77.00

Current	Over 30	Over 60	Over 90	Over 120	Balance Due
$77.00	$0.00	$0.00	$0.00	$0.00	$77.00

Return bottom portion with payment.

Date Of Invoice: 7/1/2021

Last Invoice:

Amount Due: $77.00

Enclosed Amount:

Payment From:

*SD STATE DENR

523 E CAPITAL
PIERRE, SD 57501
US

605-773-3352

Account	Invoice #	Date	Comments	Type	Amount	Applied	Balance
		6/30/2021	DR		$83.76	($6.76)	$77.00

Current	Over 30	Over 60	Over 90	Over 120	Balance Due
$77.00	$0.00	$0.00	$0.00	$0.00	$77.00

SUPER 8 ABERDEEN
2405 S.E. 6TH AVE.
ABERDEEN, SD 57401 US
Phone: (605) 229-5005
Fax: (605) 229-5006
Email: aberdeens8@legacymgmt.org
Hotel ID: 03554
Printed: 7/1/2021 1:24:09 PM

Folio (Detailed)

Name:
Company: *SD STATE DENR
Address: 501 W 3rd St
Pierre, SD 57501 US

Confirmation Number:
ACCOUNT/ INVOICE# :
Receivable Account Number:

Room:	346	Room Type:	NK1, 1KG/NS/MICRO/FRDG	Nights:	1	Guests: 1/0
Rate Plan:	SGS	Daily Rate:	$75.00 + $8.76 Tax	GTD:	DR - DIRECT BILL	
Arrival:	6/29/2021 (Tue)	Departure:	6/30/2021 (Wed)		*SD STATE DENR	
					PO# -	

Room Rate:

6/29/2021 (Tue) - 6/29/2021 (Tue) $75.00 + $8.76 Tax per night.

Date	Code	Description	Amount	Balance
6/29/2021	RM	ROOM CHARGE	$75.00	$75.00
6/29/2021	TAX 3	OCCUPANCY TAX	$2.00	$77.00
6/29/2021	TAX1	STATE TAX	$4.88	$81.88
6/29/2021	TAX2	LODGING TAX	$1.88	$83.76
6/30/2021	DR	OLMSTEAD, SAMANTHA [*SD STATE DENR]	($83.76)	$0.00
7/1/2021	TAX1	STATE TAX EXEMPT #46-6000364	($4.88)	($4.88)
7/1/2021	TAX2	LODGING TAX EXEMPT# 46-6000364	($1.88)	($6.76)
7/1/2021	DR	OLMSTEAD, SAMANTHA [*SD STATE DENR]	$6.76	$0.00

Summary

Room	Tax	F&B	Other	CC	Cash	DB
$75.00	$0.00	$0.00	$2.00	$0.00	$0.00	($77.00)

Wyndham Rewards members earn valuable points on qualifying stays at nearly 7,000 hotels around the world. Points can be redeemed for free nights, gift cards, merchandise and more. If you're not already a member, join at the front desk, visit us at www.wyndhamrewards.com or call 1-866-WYN-RWDS.

Guest Signature:

(1) Regardless of charge instructions, the undersigned acknowledges the above as personal indebtedness. (2) This property is privately owned and management reserves the right to refuse services to any one, and will not be responsible for injury or accidents to guests or loss of money, jewelry or any personal valuables of any kind. "We or our affiliates may contact you about goods and services unless you call 888-946-4283 or write to Opt Out/ Privacy, Wyndham Hotel Group, LLC, 22 Sylvan Way, Parsippany, NJ 07054 to opt out. View our website about privacy. "

ATTACHMENT 9

CHAPTER 2.0 – PERMIT FEES

2.0 Permit Fees

2.1 Annual air fee required

In accordance with ARSD 74:36:05:06.01, the owner or operator shall submit an annual administrative fee and an annual fee. The fee is based on actual emissions in accordance with ARSD 74:37.

If this is for an ethanol plant, use this language instead:
In accordance with ARSD 74:36:05:06.01, the owner or operator shall submit an annual administrative fee and an annual fee. The fee is based on actual emissions in accordance with SDCL 34A-1-58.1.

2.2 Annual operational report

In accordance with ARSD 74:37:01:06, the Secretary will supply the owner or operator with an annual operational report in January of each year. The owner or operator shall complete and submit the operational report to the Secretary by March 1 of each year. The responsible official shall sign the operational report in the presence of a notary public.

If this is for an ethanol plant, use this language instead:
In accordance with SDCL 34A-1-58.1, the Secretary will supply the owner or operator with an annual operational report in January of each year. The owner or operator shall complete and submit the operational report to the Secretary by March 1 of each year. The responsible official shall sign the operational report in the presence of a notary public.

2.3 Annual air fee

In accordance with ARSD 74:37:01:08, the Secretary will notify the owner or operator of the required annual air emission fee and administrative fee by June 1 of each year. The fees shall accrue on July 1 and are payable to the Department of Revenue by July 31 of each year.

If this is for an ethanol plant, use this language instead:
In accordance with SDCL 34A-1-58.1, the Secretary will notify the owner or operator of the required annual air emission fee and administrative fee by June 1 of each year. The fees shall accrue on July 1 and are payable to the Department of Revenue by July 31 of each year.

ATTACHMENT 9

EXAMPLE FACILITY OPERATIONAL REPORT & AIR EMISSIONS INVENTORY

414 Nicollet Mall
Minneapolis, MN 55401-1993

February 25, 2021

Certified Mail

South Dakota Department of Environment and Natural Resources
PMB 2020, Air Quality Program
523 East Capitol, Joe Foss Building
Pierre, SD 57501-3182

RE: **RY 2020 Annual Operational Report and Compliance Certification Report**
Angus Anson Generating Site
Permit No: 28.0801-01

As required by Part 2.2 of the permit referenced above, Northern States Power Company, doing business as Xcel Energy, is providing the 2020 Annual Operation Report and Compliance Certification Report to the South Dakota Department of Environment and Natural Resources for the Angus Anson facility.

Please contact me at 612.964.1176 or patricia.b.leaf@xcelenergy.com if you have any questions about this submittal.

Sincerely,

PB Leaf

P B Leaf

Senior Environmental Analyst

CC: Rick Bohn, Tim Brown, Cheryl Erler, Pat Flowers, Jacob Gundry, Jesica Ryan, Gene Tverberg, R:\ES-Chestnut\Env-Angus Anson\Air\Reporting\2020\Annual Reporting\2020 Annual Operating Report and Compliance Certification.pdf

2020 Operational Report
Air Emission Inventory
SD Department of Environment and Natural Resources

Facility Name: Northern States Power Company d/b/a Xcel Energy
Facility Site Location: Sioux Falls
Permit Number: SD-0000264, 28.0801-01

Facility Contact: Patricia Leaf, Senior Environmental Analyst
Phone #: (612) 330-2807 (c: 612.964.1176)
Email Address: patricia.b.leaf@xcelenergy.com

Responsible Official: Jacob R Gundy
Responsible Official's Title: Plant Director

RECEIVED
MAR 0 2 2021
AIR QUALITY PROGRAM

Permitted Units

Unit #4. 1993 Westinghouse gas turbine.
Unit #5. 1993 Westinghouse gas turbine.
Unit #8. 2004 General Electric simple cycle combustion turbine

2020 Operation

1993 Westinghouse Turbine (Unit #4)

1. Amount of fuel burned while the water injection system was engaged?			
	A. Natural Gas	102.18	million cubic feet (MMcf)
	B. Fuel Oil	57,789.10	gallons
	C. Natural Gas	110,992.22	MMBtus Ave
	D. Fuel Oil	7,943.75	MMBtus Ave
2. Actual operating time while burning fuel with the water injection system engaged?			
	A. Natural Gas	122.63	hours
	B. Fuel Oil	7.80	hours
3. Amount of fuel burned while the water injection system was disengaged (not operating)?			
	A. Natural Gas	2.67	million cubic feet (MMcf)
	B. Fuel Oil	0.00	gallons
	C. Natural Gas	2,900.27	MMBtus Ave
	D. Fuel Oil	0.00	MMBtus Ave
4. Actual operating time while burning fuel with the water injection system disengaged (not operating)?			
	A. Natural Gas	7.30	hours
	B. Fuel Oil	0.00	hours

1993 Westinghouse Turbine (Unit #5)

1. Amount of fuel burned while the water injection system was engaged?			
	A. Natural Gas	156.52	million cubic feet (MMcf)
	B. Fuel Oil	31,234.40	gallons
	C. Natural Gas	170,210.34	MMBtus Ave
	D. Fuel Oil	4,287.08	MMBtus Ave
2. Actual operating time while burning fuel with the water injection system engaged?			
	A. Natural Gas	197.23	hours
	B. Fuel Oil	4.35	hours
3. Amount of fuel burned while the water injection system was disengaged (not operating)?			
	A. Natural Gas	4.93	million cubic feet (MMcf)
	B. Fuel Oil	0.00	gallons
	C. Natural Gas	5,361.21	MMBtus Ave
	D. Fuel Oil	0.00	MMBtus Ave
4. Actual operating time while burning fuel with the water injection system disengaged (not operating)?			
	A. Natural Gas	13.02	hours
	B. Fuel Oil	0.00	hours

2004 General Electric simple cycle combustion turbine (Unit #8)

1. Amount of fuel burned?	1,245.28	million cubic feet (MMcf)
	1,356,782.61	MMBtus
2. Actual operating time while burning fuel?	885.87	hours

Tank

1. Amount of Volatile organic Compound emission in 2020?	0.17

EDR Records Submitted to EPA

Turbine EU # 4:	Annual SO2 emissions:	0.04	tons
	Annual NOx emissions:	4.62	tons
Turbine EU # 5:			
	Annual SO2 emissions:	0.06	tons
	Annual NOx emissions:	6.78	tons
Turbine EU # 8:			
	Annual SO2 emissions:	0.41	tons
	Annual NOx emissions:	22.30	tons

CEM Records

Turbine # 4:	Annual NOx emissions:	4.62	tons
Turbine # 5:	Annual NOx emissions:	6.78	tons
Turbine # 8:	Annual NOx emissions:	22.30	tons
Turbine # 8:	Annual CO emissions:	7.54	tons

General Information

1. Sulfur Content of distillate oil?	0.00073	weight percent
2. Sulfur Content of natural gas?	0.000100	weight percent
2. Heat content of distillate oil?	137,232.03	Btus per gallon
3. Heat content of natural gas?	1,085.37	MMBtus per MMcf

2020 Emission Calculations

Total Particulate Matter

Permitted Unit	Fuel Type	Fuel Consumption		Emission Factor		Emission Factor Citation	2020 Air Emissions		Equation
Turbine (#4)									
Water injection	Natrual Gas	102.18	MMcf	0.006	pounds / MMBtu	2004 stack test	0.33	tons / year	1
	Fuel Oil	57789.1	gallons	0.016	pounds / MMBtu	2004 stack test	0.06	tons / year	2
Without water injection	Natrual Gas	2.67	MMcf	0.0066	pounds / MMBtu	AP-42, Table 3.1-2a, 4/00	0.01	tons / year	1
	Fuel Oil	0	gallons	0.012	pounds / MMBtu	AP-42, Table 3.1-2a, 4/00	0.00	tons / year	2
Turbine (#5)									
Water injection	Natrual Gas	156.52	MMcf	0.006	pounds / MMBtu	2004 stack test	0.51	tons / year	1
	Fuel Oil	31234.4	gallons	0.016	pounds / MMBtu	2004 stack test	0.03	tons / year	2
Without water injection	Natrual Gas	4.93	MMcf	0.0066	pounds / MMBtu	AP-42, Table 3.1-2a, 4/00	0.02	tons / year	1
	Fuel Oil	0	gallons	0.012	pounds / MMBtu	AP-42, Table 3.1-2a, 4/00	0.00	tons / year	2
Combustion Turbine (#8)									
	Natural Gas	1245.28	MMcf	0.0033	pounds / MMBtu	May 2008 Stack Test	2.23	tons / year	1
						Total Particulate Matter	**3.20**	**tons / year**	

Equations Used

1. (Fuel Consumption) x (Emission Factor) x (Heat Content) / (2000 pounds per ton)
2. (Fuel Consumption) x (Emission Factor) x (Heat Content) / (1,000,000 Btus per MMBtu) / (2000 pounds per ton)

PM-10

Permitted Unit	Fuel Type	Fuel Consumption		Emission Factor		Emission Factor Citation	2020 Air Emissions		Equation
Turbine (#4)									
Water injection	Natrual Gas	102.18	MMcf	0.006	pounds / MMBtu	2004 stack test	0.33	tons / year	1
	Fuel Oil	57789.1	gallons	0.016	pounds / MMBtu	2004 stack test	0.06	tons / year	2
Without water injection	Natrual Gas	2.67	MMcf	0.0066	pounds / MMBtu	AP-42, Table 3.1-2a, 4/00	0.01	tons / year	1
	Fuel Oil	0	gallons	0.012	pounds / MMBtu	AP-42, Table 3.1-2a, 4/00	0.00	tons / year	2
Turbine (#5)									
Water injection	Natrual Gas	156.52	MMcf	0.006	pounds/MMBtu	2004 stack test	0.51	tons / year	1
	Fuel Oil	31234.4	gallons	0.016	pounds/MMBtu	2004 stack test	0.03	tons / year	2
Without water injection	Natrual Gas	4.93	MMcf	0.0066	pounds / MMBtu	AP-42, Table 3.1-2a, 4/00	0.02	tons / year	1
	Fuel Oil	0	gallons	0.012	pounds / MMBtu	AP-42, Table 3.1-2a, 4/00	0.00	tons / year	2
Combustion Turbine (#8)									
	Natural Gas	1245.28	MMcf	0.0033	pounds / MMBtu	May 2008 Stack Test	2.23	tons / year	1
						PM-10	**3.20**	**tons / year**	

Equations Used

1. (Fuel Consumption) x (Emission Factor) x (Heat Content) / (2000 pounds per ton)
2. (Fuel Consumption) x (Emission Factor) x (Heat Content) / (1,000,000 Btus per MMBtu) / (2000 pounds per ton)

PM-2.5

Permitted Unit	Fuel Type	Fuel Consumption		Emission Factor		Emission Factor Citation	2020 Air Emissions		Equation
Turbine (#4)									
Water injection	Natrual Gas	102.18	MMcf	0.006	pounds / MMBtu	2004 stack test	0.33	tons / year	1
	Fuel Oil	57789.1	gallons	0.016	pounds / MMBtu	2004 stack test	0.06	tons / year	2
Without water injection	Natrual Gas	2.67	MMcf	0.0066	pounds / MMBtu	AP-42, Table 3.1-2a, 4/00	0.01	tons / year	1
	Fuel Oil	0	gallons	0.012	pounds / MMBtu	AP-42, Table 3.1-2a, 4/00	0.00	tons / year	2
Turbine (#5)									
Water injection	Natrual Gas	156.52	MMcf	0.006	pounds/MMBtu	2004 stack test	0.51	tons / year	1
	Fuel Oil	31234.4	gallons	0.016	pounds/MMBtu	2004 stack test	0.03	tons / year	2
Without water injection	Natrual Gas	4.93	MMcf	0.0066	pounds / MMBtu	AP-42, Table 3.1-2a, 4/00	0.02	tons / year	1
	Fuel Oil	0	gallons	0.012	pounds / MMBtu	AP-42, Table 3.1-2a, 4/00	0.00	tons / year	2
Combustion Turbine (#8)									
	Natural Gas	1245.28	MMcf	0.0033	pounds / MMBtu	May 2008 Stack Test	2.23	tons / year	1
						PM-2.5	**3.20**	**tons / year**	

Equations Used

1. (Fuel Consumption) x (Emission Factor) x (Heat Content) / (2000 pounds per ton)
2. (Fuel Consumption) x (Emission Factor) x (Heat Content) / (1,000,000 Btus per MMBtu) / (2000 pounds per ton)

Sulfur Dioxide

Permitted Unit	Fuel Type	Fuel Consumption		Emission Factor		Emission Factor Citation	2020 Air Emissions		Equation
Turning #4	Both Fuel Types				EDR Record Type 301	Quarterly EDRs Submitted to EPA	0.04	tons / year	
Turning #5	Both Fuel Types				EDR Record Type 301	Quarterly EDRs Submitted to EPA	0.06	tons / year	
Combustion Turbine (#8)									
	Natural Gas	1245.28	MMcf	0.000094	pounds / MMBtu	AP-42, Table 3.1-2a, 4/00	0.06		1
						Total Sulfur Dioxide	**0.16**	**tons / year**	

Equations Used

1. (Fuel Consumption) x (Emission Factor) x (Heat Content) / (2000 pounds per ton)

Nitrogen Oxides

Permitted Unit	Fuel Type	Fuel Consumption		Emission Factor		Emission Factor Citation	2020 Air Emissions		Equation
Turning #4	Both Fuel Types				EDR Record Type 301	Quarterly EDRs Submitted to EPA	4.62	tons / year	
Turning #5	Both Fuel Types				EDR Record Type 301	Quarterly EDRs Submitted to EPA	6.78	tons / year	
Combustion Turbine (#8)					EDR Record Type 301	Quarterly EDRs Submitted to EPA	22.30	tons / year	
						Total Nitrogen Oxides	**33.71**	**tons / year**	

Equations Used

1. (Fuel Consumption) x (Emission Factor) / (2000 pounds per ton)

Volatile Organic Compounds

Permitted Unit	Fuel Type	Fuel Consumption		Emission Factor		Emission Factor Citation	2020 Air Emissions		Equation
Turbine (#4)									
Water injection	Natural Gas	102.18	MMcf	0.0021	pounds / MMBtu	AP-42, 3.1-2a, 4/00	0.12	tons / year	1
	Fuel Oil	57789.1	gallons	0.00041	pounds / MMBtu	AP-42, 3.1-2a, 4/00	0.00	tons / year	2
Without water injection	Natural Gas	2.67	MMcf	0.0021	pounds / MMBtu	AP-42, 3.1-2a, 4/00	0.00	tons / year	1
	Fuel Oil	0	gallons	0.00041	pounds / MMBtu	AP-42, 3.1-2a, 4/00	0.00	tons / year	2
Turbine (#5)									
Water injection	Natural Gas	156.52	MMcf	0.0021	pounds / MMBtu	AP-42, 3.1-2a, 4/00	0.18	tons / year	1
	Fuel Oil	31234.4	gallons	0.00041	pounds / MMBtu	AP-42, 3.1-2a, 4/00	0.00	tons / year	2
Without water injection	Natural Gas	4.93	MMcf	0.0021	pounds / MMBtu	AP-42, 3.1-2a, 4/00	0.01	tons / year	1
	Fuel Oil	0	gallons	0.00041	pounds / MMBtu	AP-42, 3.1-2a, 4/00	0.00	tons / year	2
Combustion Turbine (#8)									
	Natural Gas	1245.28	MMcf	0.0021	pounds / MMBtu	AP-42, 3.1-2a, 4/00	1.42	tons / year	1
Tank	Calculated by facility using Tanks 4.09						0.17		
						Total Volatile Organic Compounds	**1.89**	**tons / year**	

Equations Used

1. (Fuel Consumption) x (Emission Factor) x (Heat Content) / (2000 pounds per ton)
2. (Fuel Consumption) x (Emission Factor) x (Heat Content) / (1,000,000 Btus per MMBtu) / (2000 pounds per ton)

Organic Hazardous Air Pollutants

Permitted Unit	Fuel Type	Fuel Consumption		Emission Factor		Emission Factor Citation	2020 Air Emissions		Equation
Turbine (#4)									
Water injection	Natural Gas	102.18	MMcf	0.00103	pounds / MMBtu	AP-42, 3.1-3, 4/00	0.06	tons / year	1
	Fuel Oil	57789.1	gallons	0.000426	pounds / MMBtu	AP-42, 3.1-4, 4/00	0.00	tons / year	2
Without water injection	Natural Gas	2.67	MMcf	0.00103	pounds / MMBtu	AP-42, 3.1-3, 4/00	0.00	tons / year	1
	Fuel Oil	0	gallons	0.000426	pounds / MMBtu	AP-42, 3.1-4, 4/00	0.00	tons / year	2
Turbine (#5)									
Water injection	Natural Gas	156.52	MMcf	0.00103	pounds / MMBtu	AP-42, 3.1-3, 4/00	0.09	tons / year	1
	Fuel Oil	31234.4	gallons	0.000426	pounds / MMBtu	AP-42, 3.1-4, 4/00	0.00	tons / year	2
Without water injection	Natural Gas	4.93	MMcf	0.00103	pounds / MMBtu	AP-42, 3.1-3, 4/00	0.00	tons / year	1
	Fuel Oil	0	gallons	0.000426	pounds / MMBtu	AP-42, 3.1-4, 4/00	0.00	tons / year	2
Combustion Turbine (#8)									
	Natural Gas	1245.28	MMcf	0.00103	pounds / MMBtu	AP-42, 3.1-3, 4/00	0.70	tons / year	1
						Total Organic Hazardous Air Pollutants	**0.85**	**tons / year**	

Equations Used

1. (Fuel Consumption) x (Emission Factor) x (Heat Content) / (2000 pounds per ton)
2. (Fuel Consumption) x (Emission Factor) x (Heat Content) / (1,000,000 Btus per MMBtu) / (2000 pounds per ton)

Metal Hazardous Air Pollutants

Permitted Unit	Fuel Type	Fuel Consumption		Emission Factor		Emission Factor Citation	2020 Air Emissions		Equation
Turbine (#4)									
Water injection	Natural Gas	102.18	MMcf		pounds / MMBtu	Not Established	0.00	tons / year	1
	Fuel Oil	57789.1	gallons	0.000862	pounds / MMBtu	AP-42, 3.1-5, 4/00	0.00	tons / year	2
Without water injection	Natural Gas	2.67	MMcf		pounds / MMBtu	Not Established	0.00	tons / year	1
	Fuel Oil	0	gallons	0.000862	pounds / MMBtu	AP-42, 3.1-5, 4/00	0.00	tons / year	2
Turbine (#5)									
Water injection	Natural Gas	156.52	MMcf		pounds / MMBtu	Not Established	0.00	tons / year	1
	Fuel Oil	31234.4	gallons	0.000862	pounds / MMBtu	AP-42, 3.1-5, 4/00	0.00	tons / year	2
Without water injection	Natural Gas	4.93	MMcf		pounds / MMBtu	Not Established	0.00	tons / year	1
	Fuel Oil	0	gallons	0.000862	pounds / MMBtu	AP-42, 3.1-5, 4/00	0.00	tons / year	2
Combustion Turbine (#8)									
	Natural Gas	1245.28	MMcf		pounds / MMcf	Not Established	0.00	tons / year	1
						Total Organic Hazardous Air Pollutants	**0.01**	**tons / year**	

Equations Used

1. (Fuel Consumption) x (Emission Factor) x (Heat Content) / (2000 pounds per ton)
2. (Fuel Consumption) x (Emission Factor) x (Heat Content) / (1,000,000 Btus per MMBtu) / (2000 pounds per ton)

Carbon Monoxide

Permitted Unit	Fuel Type	Fuel Consumption		Emission Factor		Emission Factor Citation	2020 Air Emissions		Equation
Turbine (#4)									
Water injection	Natural Gas	102.18	MMcf	0.03	pounds / MMBtu	AP-42, Table 3.1-1, 4/00	1.66	tons / year	1
	Fuel Oil	57789.1	gallons	0.076	pounds / MMBtu	AP-42, Table 3.1-1, 4/00	0.30	tons / year	2
Without water injection	Natural Gas	2.67	MMcf	0.082	pounds / MMBtu	AP-42, Table 3.1-1, 4/00	0.12	tons / year	1
	Fuel Oil	0	gallons	0.0033	pounds / MMBtu	AP-42, Table 3.1-1, 4/00	0.00	tons / year	2
Turbine (#5)									
Water injection	Natural Gas	156.52	MMcf	0.03	pounds / MMBtu	AP-42, Table 3.1-1, 4/00	2.55	tons / year	1
	Fuel Oil	31234.4	gallons	0.076	pounds / MMBtu	AP-42, Table 3.1-1, 4/00	0.16	tons / year	2
Without water injection	Natural Gas	4.93	MMcf	0.082	pounds / MMBtu	AP-42, Table 3.1-1, 4/00	0.22	tons / year	1
	Fuel Oil	0	gallons	0.0033	pounds / MMBtu	AP-42, Table 3.1-1, 4/00	0.00	tons / year	2
Combustion Turbine (#8)					EDR Record Type 301	Quarterly EDRs Submitted to EPA	7.54	tons / year	
						Total Carbon Monoxide	**12.55**	**tons / year**	

Equations Used

1. (Fuel Consumption) x (Emission Factor) x (Heat Content) / (2000 pounds per ton)
2. (Fuel Consumption) x (Emission Factor) x (Heat Content) / (1,000,000 Btus per MMBtu) / (2000 pounds per ton)

Carbon Dioxide

Permitted Unit	Fuel Type	Fuel Consumption		Emission Factor		Emission Factor Citation	2020 Air Emissions		Equation
Turbine (#4)									
Water injection	Natural Gas	102.18	MMcf	110	pounds / MMBtu	AP-42, 3.1-2a, 4/00	6099.67	tons / year	1
	Fuel Oil	57789.1	gallons	157	pounds / MMBtu	AP-42, 3.1-2a, 4/00	622.55	tons / year	2
Without water injection	Natural Gas	2.67	MMcf	110	pounds / MMBtu	AP-42, 3.1-2a, 4/00	159.39	tons / year	1
	Fuel Oil	0	gallons	157	pounds / MMBtu	AP-42, 3.1-2a, 4/00	0.00	tons / year	2
Turbine (#5)									
Water injection	Natural Gas	156.52	MMcf	110	pounds / MMBtu	AP-42, 3.1-2a, 4/00	9343.52	tons / year	1
	Fuel Oil	31234.4	gallons	157	pounds / MMBtu	AP-42, 3.1-2a, 4/00	336.48	tons / year	2
Without water injection	Natural Gas	4.93	MMcf	110	pounds / MMBtu	AP-42, 3.1-2a, 4/00	294.30	tons / year	1
	Fuel Oil	0	gallons	157	pounds / MMBtu	AP-42, 3.1-2a, 4/00	0.00	tons / year	2
Combustion Turbine (#8)									
	Natural Gas	1245.28	MMcf	110	pounds / MMBtus	AP-42, 3.1-2a, 4/00	74337.43	tons / year	1
						Total Carbon Dioxide	**91,193.32**	**tons / year**	

Equations Used

1. (Fuel Consumption) x (Emission Factor) x (Heat Content) / (2000 pounds per ton)
2. (Fuel Consumption) x (Emission Factor) x (Heat Content) / (1,000,000 Btus per MMBtu) / (2000 pounds per ton)

Summary of 2020 Total Air Emissions:

TSP	3.20	tons per year
PM10	3.20	tons per year
PM2.5	3.20	tons per year
SO2	0.16	tons per year
NOx	33.71	tons per year
VOC	1.89	tons per year
Organic HAP	0.85	tons per year
Metal HAP	0.01	tons per year
CO	12.55	tons per year
CO2	91,193.32	tons per year

2020 Air Fee Summary

The department only charges air emission fees for Total Particulate Matter (TSP), Sulfur Dioxide (SO2), Nitrogen Oxides (NOx), Volatile Organic Compounds (VOC), and Non-Organic Hazardous Air Pollutants (HAP). Therefore, the following amount is the total that will be used to calculate the air emission fees.

Air Emission Fee Total **38.96** **tons per year**

I certified that, based on information and belief formed after reasonable inquiry, the statements and information in this document and all attachments are true, accurate, and complete.

Signature of Responsible Official

2/25/2021
Date

Subscribed and sworn before me this 25th day of February 2021

Nancy J. Finke
Notary Public

My commission expires: 1-31-2023

(Seal)