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ENVIRONMENTAL PROTECTION

ENVIRONMENTAL MANAGEMENT

DIVISION OF AIR QUALITY

Air Pollution Control

Fees for Permits and Certificates for Minor Facilities (and Major Facilities without an Operating Permit), and Operating Permits

Proposed Amendments: N.J.A.C. 7:27-8.6 and 22.31

Authorized By: Bob Martin, Commissioner, Department of Environmental Protection.

Authority: N.J.S.A. 13:1B-3.e, 13:1D-9, and 26:2C-1 et seq., in particular 26:2C-9.b(7)(b) and 9.5.

Calendar Reference: See Summary below for explanation of exception to calendar requirement.

DEP Docket Number: 05-14-07

Proposal Number: PRN 2014-137.

A **public hearing** concerning this proposal, and the proposed revision to the New Jersey State Implementation Plan that it represents, will be held on Monday, September 22, 2014, at 10:00 A.M., at:

New Jersey Department of Environmental Protection

Hearing Room, 1st Floor

401 East State Street

Trenton, New Jersey 08625

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Directions to the hearing room may be found at the Department of Environmental Protection's (Department's) website address at www.nj.gov/dep/where.htm.

Submit comments by October 17, 2014, electronically at www.nj.gov/dep/rules/comments. Each comment should be identified by the applicable N.J.A.C. citation, with the commenter's name and affiliation following the comment.

The Department encourages electronic submittal of comments. In the alternative, comments may be submitted on paper to:

Alice A. Previte, Esq.
Attention: DEP Docket Number 05-14-07
Office of Legal Affairs
Department of Environmental Protection
401 East State Street, 7th Floor
Mail Code 401-04L
P.O. Box 402
Trenton, New Jersey 08625-0402

Written comments may also be submitted at the public hearing. It is requested (but not required) that anyone submitting oral testimony at the public hearing provide a copy of any prepared text to the stenographer at the hearing.

The proposed amendments will become operative 60 days after their adoption (see N.J.S.A. 26:2C-8). The rule proposal may be viewed or downloaded from the Department's website at www.nj.gov/dep/rules.

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The agency proposal follows:

Summary

As the Department has provided a 60-day comment period on this notice of proposal, this notice is excepted from the rulemaking calendar requirements pursuant to N.J.A.C. 1:30-3.3(a)5.

The Department proposes to amend the fees that it charges for permitting stationary sources of air pollution, since the revenue that the Department receives from the existing fees is less than the costs of the services the Department performs (permitting, enforcement, and planning). By addressing the air permitting program deficit, the Department will be better able to serve the regulated community and better protect the quality of air in the State. The Department is proposing to raise fees for permit applications for minor facilities, as regulated by N.J.A.C. 7:27-8, and fees for applications for significant modifications of major facilities, as regulated by N.J.A.C. 7:27-22. Additionally, the Department is proposing to increase the general permit registration fees for minor facilities and general operating permit registration fees for major facilities. Generally speaking, a major facility is one with the potential to emit one or more air contaminants in an amount equal to or exceeding the applicable major facility threshold levels set forth at N.J.A.C. 7:27-22.2(a). Major facilities include, for example, refineries, pharmaceutical companies, manufacturing operations, and power plants. These facilities are subject to Title V of the Federal Clean Air Act (42 U.S.C. §§ 7661-7661f). A minor facility is one that does not meet the definition of a major source at N.J.A.C. 7:27-22.2(a) and that has the potential to emit one or more air contaminants in an amount less than the applicable major facility threshold levels. Minor facilities include, for example, small manufacturing operations, dry cleaners, and gas stations.

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The Department's Air Quality Permitting Program (AQPP) is responsible for permitting and testing stationary sources of air pollution to ensure they do not adversely affect air quality in the State. The AQPP (which includes a preconstruction permit program for minor facilities and an operating permits program for major facilities) accomplishes this by reviewing air pollution control permit applications, evaluating air quality impact and health risks, and ensuring that stack emissions are measured properly. The Department enforces approved permits by conducting inspections, assisting permittees to comply, and imposing civil administrative penalties and administrative orders where appropriate. The Department has statutory authority to charge administrative fees, in accordance with an adopted fee schedule, for any of the services the Department performs or provides in connection with administering the Air Pollution Control Act. (See N.J.S.A. 26:2C-9.b(7).)

The Department has reduced its costs associated with administering the Air Program over the last several years by streamlining its air permitting program and implementing other cost-saving measures, including developing general permits for approximately 20 categories of emission sources, developing general operating permits for major facilities, instituting the online submittal of permit applications and payment of fees via NJDEP Online (the Department's online permit application portal), implementing recommendations from stakeholders to improve permitting, and improving review procedures. The streamlining has reduced the backlog of applications and resulted in quicker permit reviews. As a result, program costs have been consistently lower than they were in fiscal year (FY) 2008. In FY 2008, the program costs were \$25,029,447. The program costs for each of the five years from FY 2009 through FY 2013 (the most recent years for which fiscal information is available) have been, on average, 15 percent lower than in FY 2008. (See Table 1 below.) This equates to more than \$18 million in cost

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savings over the five-year period. A typical permit is in effect for five years, before it must be renewed; accordingly, a five year analysis represents an entire permit cycle.

TABLE 1 – AIR PROGRAM COSTS

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Program Costs:	\$22,358,710	\$20,208,959	\$22,211,737	\$21,297,568	\$20,844,072
Compared to					
FY 2008:	(\$2,670,738)	(\$4,820,489)	(\$2,817,710)	(\$3,731,880)	(\$4,185,376)
Expressed as					
Percentage:	-11%	-19%	-11%	-15%	-17%

During the same period, the Department’s revenue from fees declined. Funding for the program comes in the form of fees, both permit-related, and based on the level of emissions produced by a facility. Emission fees are established by statute (N.J.S.A. 26:2C-9.5) and adjusted by the Consumer Price Index (CPI), as discussed further below. Permitting fees are associated with the services that the Department provides to facilities, as set forth in N.J.A.C. 7:27-8.6, Service fees, and N.J.A.C. 7:27-22.31, Fees (collectively, service fees). In FY 2008, the program deficit was \$4,808,688 (fee revenue of \$20,220,759 less costs of \$25,029,447). As shown in Table 2 below, the decline in revenue from fees in the last five years has created a persistent deficit. In FY 2014, this deficit is expected to exceed \$10 million, and the trend is expected to continue every year thereafter. In prior years, the program’s deficits have been

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funded through general fund appropriations, which means that taxpayers rather than the regulated facilities have borne the cost of the program.

TABLE 2 – AIR PROGRAM DEFICIT

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Program					
Costs:	\$22,358,710	\$20,208,959	\$22,211,737	\$21,297,568	\$20,844,072
Revenue:	\$16,973,551	\$14,908,201	\$11,977,721	\$12,760,371	\$10,598,138
Deficit:	(\$5,385,159)	(\$5,300,757)	(\$10,234,016)	(\$8,537,196)	(\$10,245,934)
Expressed as					
Percentage:	-24 %	-26 %	-46 %	-40 %	-49 %

The deficit is the result of a number of contributing factors. The streamlining of the permitting process resulted in decreased revenue from service fees. For example, the Department has developed general permits for minor facilities for some sources that had been subject to individual preconstruction permits/certificates of operation, and general operating permits for major facilities that had been subject to operating permits. A general permit is a pre-approved permit to construct and certificate to operate, issued pursuant to N.J.A.C. 7:27-8.8, for one or more types of similar sources at a facility. A facility with a qualifying source can register and operate under a general permit, rather than submit a source-specific permit application. A general operating permit is similar, but is a pre-approved operating permit that authorizes a major facility to construct and operate a particular pollution-emitting source, provided it meets the requirements of the general operating permit. Because source-specific permit applications require

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case-by-case processing by the Department, the general permit or general operating permit is less expensive for the applicant than applying for a source-specific permit. For example, prior to the creation of the general permit for gasoline dispensing stations, most gas stations were required to submit two preconstruction permit applications to obtain separate permits for Stage I (storage tanks) and Stage II (motor vehicle fueling) equipment. To simplify this, the Department combined Stage I and II equipment into a single gasoline dispensing station general permit. Now a gas station is required to submit only one general permit registration form to register the Stage I and II equipment under the general permit.

In FY 2013, the Department processed 1,700 general permit registrations. The majority of these registrations had a fee of \$410.00. The revenue received was approximately \$0.7 million. Had these general permit registrations been submitted as individual preconstruction permit applications, the Department would have received approximately \$3 million in permit application fees. Using the general permit registration format saved permit applicants \$2.3 million in one year, but reduced the fees received by the Department by the same amount. Over a five-year period permit applicants saved more than \$11 million, but revenue to the AQPP was reduced, resulting in severe shortfalls, because the decrease in revenue was greater than the concomitant decrease in program costs.

The Department has further reduced fee revenue to the air permitting program by allowing facilities to include more than one piece of equipment on an application for a source-specific permit, rather than requiring each piece of equipment to have its own permit. This saves the applicant from paying multiple application fees, but further reduces revenue to the AQPP without substantially reducing the amount of work required to process the permit. The

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Department must still review the application as to each piece of equipment to ensure that the resulting permit is appropriate.

The Air Pollution Control Act at N.J.S.A. 26:2C-9.5 requires each major facility to pay a fee per ton based on annual emissions of each regulated air contaminant, and sets the amount of that per ton fee. The Department uses the revenue from emission fees to cover the cost of administering the major facility program. (See summary of proposed amendments to N.J.A.C. 7:27-22.31 below.) Emission fees paid to the Department have decreased as a result of a significant decrease in emissions from regulated sources. While these emission reductions represent a clear success from an environmental point of view, they have had the effect of reducing this source of fee revenue without decreasing the AQPP's workload. AQPP staff must still review and process a major facility's application for a permit, regardless of the extent to which the facility has reduced the level of regulated air pollutants it emits.

Air pollution control regulations, both State and Federal, have also contributed to the program deficit because the regulations have resulted in a greater workload for the AQPP. The Federal Maximum Achievable Control Technology (MACT) standards (Clean Air Act, Section 112(g), 42 U.S.C. § 7412(g)) increased emphasis on controlling and reducing emissions of hazardous air pollutants (HAPs) from major facilities. Additional Federal New Source Performance Standards (Clean Air Act, Section 111, 42 U.S.C. § 7411), and the Department's Reasonably Available Control Technology (RACT) rules at N.J.A.C. 7:27-16 for volatile organic compounds and at N.J.A.C. 7:27-19 for oxides of nitrogen, have resulted in significant increases in workload for the Department's permitting and enforcement programs.

In furtherance of the Department's commitment to emphasize transparency and communication with stakeholders (see the Department's 2010 Vision Statement

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(<http://nj.gov/dep/commissioner/vision-priorities.pdf>), the AQPP has implemented a pilot program for the Ironbound section of Newark, through which the Department notifies the public when a major facility in the community applies for an air permit under N.J.A.C. 7:27-22 in the designated area. The process begins with early notifications to each interested party (by mail and by electronic mail) and to local public libraries, offering the community many opportunities to comment on the application and the draft permit. There are also informal sessions, such as the Department's information sessions, as well as the formal public comment period and public hearing associated with each major facility permit. This early notification provides the community with targeted notice of the opportunity to comment on the application or obtain further information. In the absence of the pilot program, under usual circumstances notice of an application for an air permit is provided by notice on the AQPP's website (<http://nj.gov/dep/aqpp>), and in the newspaper. As a result of the pilot program, residents have reached out to the Department regarding the majority of the air permit applications from facilities in the community. While effective in promoting transparency and community engagement, this effort requires extensive staff time to respond to citizen inquiries and to maintain communication with individuals and community groups, particularly in environmentally burdened areas such as the Ironbound.

The Department promulgated the existing fee rules in 2006. (See 37 N.J.R. 4728(a), 38 N.J.R. 2691(b).) When they were promulgated, the rules set forth the service fees through the end of 2009, and provided for an increase based upon the Consumer Price Index (CPI) for subsequent five-year periods, beginning in 2010. (See N.J.A.C. 7:27-8.6(l) and 22.31(u).) The Department accordingly published the notice of administrative change in 2009, raising service fees by 16.9 percent, representing the increase in the CPI during the five years from 2005

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through 2009. (41 N.J.R. 4207(a).) Nevertheless, revenue from fees continues to be insufficient to cover program costs. Although the rules provide for a further CPI adjustment to service fees for the five-year period beginning in 2015 (projected to be approximately 10 percent), the Department projects that the deficit would remain. Accordingly, the Department is proposing to increase base and supplementary fees, effective January 1, 2015 through December 31, 2019, at N.J.A.C. 7:27-8.6 to cover the preconstruction program's operating costs for minor facilities. The Department is also proposing to increase base, supplementary, and registration fees for significant modification applications at proposed N.J.A.C. 7:27-22.31(y), (z), and (aa), respectively, to cover the cost of reviewing those applications for major facilities. The proposed increase to the service fees for both major and minor sources is approximately 44 percent, as discussed further below.

The Department anticipates that the additional revenue from the proposed amendments will offset most of the minor facilities program deficit, but will only partially offset the deficit in the major facilities program. The Department plans to continue its streamlining measures to realize further cost savings, where possible.

The Summary below describes the minor and major facilities permitting programs and includes data showing existing and future program costs, revenues, and shortfalls.

N.J.A.C 7:27-8 Permits and Certificates for Minor Facilities (and Major Facilities without an Operating Permit)

The permitting program for minor facilities (also known as the minor facilities program, or the preconstruction permitting program) regulates minor facilities, as well as major facilities without an operating permit (collectively minor facilities). This program reviews

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preconstruction applications for new and modified sources of air pollution for more than 18,000 facilities. In addition to source-specific preconstruction permits (otherwise known as operating certificates), the program issues general permits that offer a simplified registration-type of approval for approximately 20 categories of emission sources, such as boilers, emergency generators, storage tanks, dry cleaners, and gasoline dispensing facilities. Each year the program receives approximately 1,000 applications for source-specific preconstruction permits (including modifications), approximately 3,000 applications to renew operating certificates, and approximately 3,200 applications for general permits and general permit renewals. The program charges registration and application service fees, which it uses to fund the minor facilities regulation and enforcement programs. (See N.J.A.C. 7:27-8.6.) These fees are broken into two broad categories, base fees and supplementary fees, set forth in the Base Fee Tables and the Supplementary Fee Schedule at N.J.A.C. 7:27-8.6. Base fees are set forth in three tables and include registration fees (for general permits and authorization to operate a used oil space heater), permit fees (for preconstruction permit applications and renewals and changes thereto), and amendment fees. Supplementary fees are charged for several aspects of the Department's review of more complex permit applications, as explained below.

As discussed above, over the last several years the Department has streamlined its preconstruction permitting program and has implemented measures to control the program's costs. In addition, since FY 2008 the number of full time equivalent employees (FTEs) supporting the minor facilities program has decreased from 61 to 50, an 18 percent decrease. As a result of this streamlining and reduction in staff, the program costs are lower than they were in FY 2008. In FY 2008, the minor facilities program costs were \$12,121,696. The program costs

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for each of the five years from FY 2009 through FY 2013 have been, on average, 12 percent lower than in FY 2008 (See Table 3 below), a savings of more than \$7 million.

TABLE 3 – MINOR FACILITIES PROGRAM COSTS

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Program Costs:	\$10,913,244	\$10,167,875	\$10,954,872	\$10,729,589	\$10,463,507
Compared to					
FY 2008:	(\$1,208,452)	(\$1,953,821)	(\$1,166,824)	(\$1,392,107)	(\$1,658,189)
Expressed as					
Percentage:	-10 %	-16 %	-10 %	-11 %	-14 %

Program costs for the processing and oversight of preconstruction permits and operating certificates for minor facilities are composed of salary costs (including fringe benefits and other indirect costs) and operating costs. Operating costs are those costs not associated with salary, benefits, or indirect costs. Examples include general office supplies, training, motor vehicles, computer and other equipment purchases and maintenance, computer system enhancements, consultant services, science and research, and funding for County Environmental Health Act agencies, which are agencies that the Department has certified to provide environmental health services in all 21 New Jersey counties. In FY 2013, the operating costs for the minor facilities program were \$978,472. For FY 2015, the Department projects operating costs of \$1,028,641.

In FY 2013, salaries for the minor facilities program totaled \$9,485,035. This cost was based on actual time allocated by staff to activities related to minor facilities (permitting, enforcement, and planning). The salary figure includes an additional 45.35 percent of salaries

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for fringe benefits, plus 20.04 percent of salaries plus fringe benefits for indirect costs such as management salaries, divisional indirect salaries, building rent, and the Department allocation of indirect costs listed in the Statewide Allocation Plan prepared annually by the State Department of the Treasury. For FY 2015, the Department projects a salary cost of \$9,971,359 for the minor facilities program, including fringe and indirect costs.

Based on salary and operating costs, the FY 2013 minor facilities program costs were approximately \$10.5 million, and the estimated costs for FY 2014 are expected to be \$10.8 million. The projected costs of the minor facilities program for FY 2015 are approximately \$11 million. As shown in Table 4, the Department received \$6,291,397 in fees from minor facilities in FY 2012, as reported by the Department of Treasury. In FY 2013, the revenue from fees dropped to \$5,898,126. The Department estimates that it would receive approximately \$6 million in FY 2015 under the existing fee schedule, which will result in a deficit of approximately \$5 million.

As shown in Table 4, the preconstruction permitting program's revenue from fees has declined. In FY 2008, the minor facilities program costs exceeded revenue by \$4,477,169 (revenue of \$7,644,527 less costs of \$12,121,696). As shown in Table 4 below, this has resulted in a deficit of more than \$27 million during FYs 2009 through 2013, including approximately \$4.5 million in FY 2013. The deficit is anticipated to be more than \$4.5 million in FY 2014 and later years.

TABLE 4 – MINOR FACILITIES PROGRAM DEFICIT

FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
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Program					
Costs:	\$10,913,244	\$10,167,875	\$10,954,872	\$10,729,589	\$10,463,507
Revenue:	\$5,893,142	\$6,410,495	\$6,251,592	\$6,291,397	\$5,898,126
Deficit:	(\$5,020,102)	(\$3,757,380)	(\$4,703,280)	(\$4,438,192)	(\$4,565,381)
Expressed as					
Percentage:	-46 %	-37 %	-43 %	-41 %	-44 %

Existing registration fees for general permits are set forth at N.J.A.C. 7:27-8.6, Table A-1, Registration Fees, and are effective through December 31, 2014. In 2006, when the existing rules were proposed, the Department's costs to develop general permits and process applications for registration under general permits differed depending on the type of facility and the general permit. Consequently, the registration fee for the perchloroethylene dry cleaning general permit 12A (which allows for the limited use of perchloroethylene, a known carcinogen, under specific operating conditions) is somewhat higher than the registration fee for the other general permits, reflecting the increased time that the Department spent developing this perchloroethylene general permit to ensure that it was protective of human health. The Department spent less time to process a registration for authorization to operate a used oil space heater, for which the existing rules impose a lower fee. This disparity, which flowed primarily from the effort to develop the general permits, no longer exists. Now that the general permits have all been developed and established, the Department spends approximately the same amount of time to evaluate applications under each of the categories of general permits. The Department proposes to increase the registration fee to \$820.00 for every general permit and authorization. If a minor

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facility does not qualify to register under a general permit, it must apply for a source-specific preconstruction permit and certificate to operate.

Because the Department has developed general permits for those operations that are the most straightforward to review, most of the applications for preconstruction permits that the Department receives are complex, and take a significant amount of time to process to completion. The Department's basic review of a preconstruction permit application includes, but is not limited to, an application completeness determination, a State and Federal rule applicability determination, an emissions verification review, and a calculation review. The Department proposes increasing the fees at N.J.A.C. 7:27-8.6, Table A-2 Permit fees, effective January 1, 2015 through December 31, 2019. The Department proposes to remove the column of fees at N.J.A.C. 7:27-8.6, Tables A-1, A-2 and A-3 effective through December 31, 2009. The Department proposes to add a new column in those tables for the proposed increased fees, effective January 1, 2015 through December 31, 2019. Similarly, more Department review time is required whenever the facility needs to make a change to the permit. Accordingly, the Department proposes increased amendment fees at N.J.A.C. 7:27-8.6, Table A-3 Notice of amendment fees, effective January 1, 2015 through December 31, 2019.

The Department assesses a supplementary fee when its review of a preconstruction permit application requires the Department to undertake activities in addition to the basic activities. Additional activities are generally associated with preconstruction permit applications for large and/or complex facilities and equipment that are subject to a more complicated review process, such as an evaluation for Prevention of Significant Deterioration (PSD), best available control technology (BACT), lowest achievable emission rate (LAER), alternative emission limit (AEL), maximum achievable control technology (MACT), new source performance standards

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(NSPS), or state of the art (SOTA) technology. Additional activities may also include risk assessment, modeling, stack testing, and public hearings.

Supplementary activities for which the Department assesses a fee are set forth at existing N.J.A.C. 7:27-8.6, Table B. Supplementary Fee Schedule, effective through December 31, 2014.

The Department proposes increased supplementary fees at N.J.A.C. 7:27-8.6, Table B.

Supplementary Fee Schedule, effective January 1, 2015 through December 31, 2019. The

Department also proposes to add a fee for the review of PSD applicability, a category that is

reserved in the existing rules. The United States Environmental Protection Agency (EPA)

delegated the authority to conduct this PSD applicability review to the State in 2010. The

Department has determined that its cost to conduct the review is comparable to performing an

evaluation of what is the best available control technology (BACT) to be applied to a facility, or

an evaluation under N.J.A.C. 7:27-18, Control and Prohibition of Air Pollution from New or

Altered Sources Affecting Ambient Air Quality (Emission Offset Rules), to determine whether

the source is subject to emission offsets; accordingly, the Department proposes the same fee for

the review of PSD applicability as it proposes for those activities.

The Department estimates that the proposed amended fees for minor facilities will result

in additional revenue of \$4.5 million in FY 2015 (subject to proration by the number of months remaining in the fiscal year after the rules are operative), as shown in Table 5 below, as

compared to the revenue received in FY 2013. In the absence of the proposed fee increase, the

Department anticipates the FY 2015 revenues to be approximately the same as the FY 2013

revenues. Compared with the fees at existing N.J.A.C. 7:27-8.6, the proposed amended fees are

more equitably distributed among permit applicants, permittees, and registrants, and more

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closely conform to the Department’s present cost to evaluate permit applications, process registrations and notices, develop general permits, and enforce approved permits.

The proposed amended fees will cover most of the preconstruction permitting program’s projected \$5 million costs. The Department will continue to pursue cost-saving measures to further reduce costs, both to the regulated community and to the air permitting program, to make up any remaining deficit. Revenue from the proposed fees will allow the Department to develop and enhance NJEMS/RADIUS (the Department’s environmental regulation database), further develop and maintain NJDEP Online, develop general permits and State of the Art (SOTA) technical manuals and continue its commitment to County Environmental Health Act agencies to help with the enforcement of minor facility permits at the county level.

TABLE 5 – MINOR FACILITIES PROGRAM REVENUE FOR FY 2013 AND FY 2015

Activity	Processed in FY 2013	FY 2013 Actual Revenue	FY 2015 ¹	FY 2015 ¹
			Projected Revenue from Proposed Fees ¹	Projected Additional Revenue Compared to FY 2013
General Permits	1,713	\$690,020	\$2,070,060	\$1,380,040
General Permit Renewals	1,462	\$507,580	\$1,522,740	\$1,015,160
Preconstruction Permits and	1,030	\$1,227,116	\$1,767,047	\$539,931

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Modifications

Renewal of Operating Certificates	2,996	\$3,473,410	\$5,001,711	\$1,528,301
TOTAL:	7,201	\$5,898,126	\$10,361,558	\$4,463,432

¹ The FY 2015 revenue is projected based upon a full fiscal year. Because the proposed fees are anticipated to be operative no earlier than January 1, 2015, six months into FY 2015, the Department anticipates actual increased revenue for FY 2015 to be half of the amount indicated. Actual revenue for FY 2015 would be prorated by the number of months remaining in the fiscal year.

When it amended the fee rules in 2006, the Department required electronic submission of any application, registration, or notice as of January 1, 2008. (37 N.J.R. at 4735.) Accordingly, the Department proposes to amend the Base Fee Tables at N.J.A.C. 7:27-8.6 to remove references to paper submission of registrations, and to amend N.J.A.C. 7:27-8.6(a) to indicate that a person using NJDEP Online (the online permit application portal) shall submit appropriate fees electronically, using NJDEP Online. The Department proposes to add payment using NJDEP Online to the payment methods at N.J.A.C. 7:27-8.6(b). Additionally, the Department is correcting N.J.A.C. 7:27-8.6(b), which refers to “Base Fee Schedule”; the correct term is “Base Fee Tables.” The Department proposes amendments throughout the subchapter to reflect the addition of the new Base Fee Tables and Supplementary Fee Schedule, and to correct punctuation and terminology. The proposed amendments also correct an error at N.J.A.C. 7:27-8.6(l)2. The correct end date of the referenced five-year period is December 31, 2014, not January 30, 2015.

N.J.A.C. 7:27-22 Operating Permits for Major Facilities

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Through its regulation of major facilities, also referred to as the operating permit program or the major facilities program, the Department implements the Federally-mandated Title V operating permits program for major facilities (42 U.S.C. §§ 7661 et seq.). There are approximately 270 major facilities in New Jersey, at which the Department regulates more than 23,000 significant source operations (primarily pieces of equipment) at refineries, pharmaceutical companies, manufacturing operations, and power generation facilities. As part of its regulation of major facilities, the Department processes initial applications for operating permits, applications to modify the permits, and permit renewals every five years, and enforces the terms of the permits. These activities are funded primarily through major facility annual emission fees, “per-equipment” application fees for initial and renewal permits, and service fees for significant modifications. A significant modification includes construction or installation of any new significant source operation, reconstruction of a process unit or control apparatus, or changes to an existing significant source operation, if the modification meets the conditions described in N.J.A.C. 7:27-22.24, Significant modifications. For significant modifications, the Department charges major facilities base fees for straightforward applications, and adds supplementary fees for more complex applications. There is no fee for a minor modification to a permit, the costs of which are paid through annual emission fees that are fixed by the Air Pollution Control Act at N.J.S.A. 26:2C-9.5. The Air Pollution Control Act establishes the fee at \$60.00 per ton of regulated contaminants emitted, in 1989 dollars, and provides that the fee adjusts annually based upon the CPI. For FY 2014, the adjusted annual emission fee is \$113.97 per ton. Per-equipment application fees are set forth at N.J.A.C. 7:27-22.31(d). Service fees for significant modifications are set forth in the tables of base and supplementary fee schedules at existing N.J.A.C. 7:27-22.31.

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As discussed above, over the last several years the Department has improved efficiency to control program costs. In addition to the measures mentioned above, the Department developed Federal rule compliance templates and readiness checklists for applicants and offered applicants more pre-application meetings to ensure that applications are complete before the Department receives them. As a result, program costs are lower than they were in FY 2008. In FY 2008, the major facilities program costs were \$12,907,751. The program costs for each of the five years from FY 2009 through FY 2013 have been, on average, 17 percent lower than in FY 2008 (See Table 6 below), a savings of more than \$11 million.

TABLE 6 – MAJOR FACILITIES PROGRAM COSTS

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Program Costs:	\$11,445,466	\$10,041,084	\$11,256,865	\$10,567,979	\$10,380,565
Compared to					
FY 2008:	(\$1,462,285)	(\$2,866,667)	(\$1,650,886)	(\$2,339,772)	(\$2,527,187)
Expressed as					
Percentage:	-11 %	-22 %	-13 %	-18 %	-20 %

The Federal Clean Air Act (42 U.S.C. §§ 7401 et seq.) and the New Jersey Air Pollution Control Act (N.J.S.A. 26:2C-9.6) expressly require the Department to collect sufficient fees to cover the costs of its major facility regulation program. Under the existing rules, the revenue for the major facility regulation program derives from fees for activities related to permits, and from emission fees. Total emissions from major sources have been declining, primarily as a result of facilities installing air pollution control devices, but also because of the economic downturn. As

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total emissions from major facilities have declined, so has the Department’s revenue from such fees.

The reduction in emissions has not, however, reduced the amount of time that the Department spends administering the major facilities program. Even as revenue has declined, Department staff has spent more and more time administering the permits related to the installation of advanced pollution control equipment. The increase in Federal regulation of major facilities (which is delegated to the State to enforce) has also required more time. In FY 2008, the major facilities program deficit was \$331,520 (revenue of \$12,576,232 less costs of \$12,907,751). As demonstrated in Table 7 below, in each of the five years since FY 2008 the Department’s revenue from activity fees and emission fees has declined. Revenue in FY 2008 was \$12.6 million, but by FY 2013 revenue declined to \$4.7 million. The Department anticipates that the difference between program revenue and costs will be more than \$5.6 million in FY 2014 and each year thereafter, leaving the Department with insufficient resources to review all of the permits that are submitted. If revenue from fees and appropriations from the general fund are insufficient to cover the cost of operating the program, the Department anticipates that there could be delays in its review of approximately 343 major facility permit applications (93 permit renewals and 250 permit modifications received per year), resulting in recurrence of application backlogs.

TABLE 7 – MAJOR FACILITIES PROGRAM DEFICIT

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Program Costs:	\$11,445,466	\$10,041,084	\$11,256,865	\$10,567,979	\$10,380,565

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Revenue:	\$11,080,409	\$8,497,706	\$5,726,129	\$6,468,974	\$4,700,012
Deficit:	<hr/>				
	(\$365,057)	(\$1,543,378)	(\$5,530,736)	(\$4,099,005)	(\$5,680,553)

The Department proposes to amend the existing base and supplementary fee schedules at N.J.A.C. 7:27-22.31. As with the costs of the minor facilities program, discussed above, program costs for the processing and oversight of major facility operating permits are composed of salary cost and operating costs. The components of operating costs for the major facilities program are similar but not identical to the operating costs for the minor facilities program and include general office supplies, training, vehicles, computer and other equipment purchases and maintenance, computer system enhancements, consultant fees, and science and research. In FY 2013, salaries (which include fringe benefits and indirect costs) for the major facilities program totaled \$8,541,732. This cost was based on actual time allocated by staff to activities related to major facilities (permitting, enforcement, and planning). For FY 2015, the Department projects a salary cost of \$8,999,551 for the major facilities program.

Since FY 2008, the number of FTEs supporting the major facilities program has decreased from 61 to 45, a 27 percent decrease. To offset this FTE decrease, the program has implemented measures to optimize its operations and improve procedures and has worked with stakeholders to consider any possible efficiencies from improved procedures. In FY 2013, operating costs for the major facilities program were \$1,838,832; for FY 2015, the Department projects operating costs of \$1,937,390. Salary and operating costs for FY 2013 were approximately \$10.4 million. The projected costs for FY 2014 are \$10.6 million, and for FY 2015 are approximately \$10.9 million.

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As shown above in Table 7, the Department received \$6,468,974 in fees (annual emission fees and application service fees) from major facilities in FY 2012, as reported by the Department of Treasury. In FY 2013, the revenue from fees dropped to \$4,700,012. The Department estimates that it will receive roughly this same amount (that is, approximately \$4.7 million) in FY 2015 under the existing fee schedules and the applicable emission fee rate (CPI adjusted dollars per ton), which will result in a deficit of \$6.2 million for FY 2015. Prior years' deficits have been funded either through general fund appropriations or the reallocation of funds from other programs within the Department.

The New Jersey Air Pollution Control Act (see N.J.S.A. 26:2C-9.5.d(1)(c)) requires major facilities to pay fees for significant modifications to their approved operating permits. Under the law, major facilities pay an administrative fee to cover the costs of the Department's review of those applications, since the applications tend to require a substantial amount of time for the Department to thoroughly review. The law also gives the Department the authority to set fees for significant modifications by adopting a schedule of fees in addition to the administrative fees that the Department may charge under N.J.S.A. 26:2C-9.b(7) for other services that the Department performs or provides in connection with administering the Air Pollution Control Act. The base and supplementary fee schedules operative through December 31, 2014, for significant modification applications are at existing N.J.A.C. 7:27-22.31(v) and (w).

The Department proposes new base and supplementary fee schedules for significant modifications at N.J.A.C. 7:27-22.31(y) and (z), respectively, effective January 1, 2015, through December 31, 2019, reflecting an increase of 44 percent over the existing base and supplementary fees. As in the existing rules, the fees for base and supplementary activities for major facilities are the same as for minor facilities, with one exception. Unlike minor facilities,

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major facilities are not charged directly for periodic compliance inspections; instead, major facilities pay for the inspections through emissions fees. Existing N.J.A.C. 7:27-22.31(u)7 refers to fees that are in effect from January 1, 2010, through December 31, 2014, set forth at existing N.J.A.C. 7:27-22.31(v) through (x). The Department proposes to relocate the reference to new N.J.A.C. 7:27-22.31(u)9. Proposed new N.J.A.C. 7:27-22.31(u)10 refers to the fees in effect from January 1, 2015, through December 31, 2019.

The Department also proposes a new “per application” fee of \$50,000 at N.J.A.C. 7:27-22.31(y)4 for applications for significant modifications for which the Department must determine whether the emission offset requirements of N.J.A.C. 7:27-18 apply, or whether the application is subject to PSD requirements at 40 CFR Part 52. The review includes, but is not limited to, a lengthy review of different air pollution control technologies to determine best available control technology (BACT) and/or the lowest achievable emission reduction (LAER), review of an alternative site analysis, and available creditable emission reductions (CERs). This may also include enhanced public participation due to environmental justice concerns, public hearings, air quality modeling, and risk analysis. Applications subject to the new per application fee of \$50,000 would not be subject to the base and supplementary fees at proposed N.J.A.C. 7:27-22.31(y)1 through 3 and (z). The flat fee reflects the costs to the Department of processing and enforcing these complex significant modifications. The Air Pollution Control Act at N.J.S.A. 26:2C-9.5 and the Air Pollution Control rules at N.J.A.C. 7:27-22.31(k) impose a \$50,000 cap on fees for a significant modification.

Existing N.J.A.C. 7:27-22.31(x) establishes a fee of \$410.00 for a general operating permit, and \$295.00 for a major facility to register for authorization to operate a used oil space heater. At proposed N.J.A.C. 7:27-22.31(aa), the fee for a major facility to register for a general

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operating permit or authorization to operate a used oil space heater under N.J.A.C. 7:27-22.14 is \$820.00, the same as for a minor facility to register for a general permit issued under N.J.A.C. 7:27-8.9. The time that the Department spends on the base and supplementary activities and processing registrations under general permits/general operating permits for the two categories of facilities is approximately the same, thereby justifying the comparable fees. The Department has issued only a small number of registrations under the general operating permits (about 30) for major facilities, and anticipates that the additional revenue from the increased registration fees for general operating permits to be less than \$25,000 per year.

As shown in Table 8, the Department expects to raise additional revenue of about \$0.9 million from the proposed increased operating permits program fees in FY 2015 (subject to proration by the number of months remaining in the fiscal year after the rules are operative), as compared to the revenue received in FY 2013. Without the proposed fee increase, the Department anticipates the FY 2015 revenues to be approximately the same as the FY 2013 revenues.

TABLE 8 – MAJOR FACILITIES PROGRAM CURRENT AND PROJECTED REVENUE

Activity	Applications processed in FY 2013	FY 2013 Actual Revenue	FY 2015 Projected Revenue	FY 2015 Projected Additional Revenue from Proposed Increased	FY 2015 Projected Revenue Compared to FY

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			Fees ¹	2013
<hr/>				
Significant Modifications (with applicability determination for PSD or				
Sub 18):	18	\$87,444	\$891,645	\$804,201
Significant Modifications (without applicability determination for PSD or				
Sub 18):	39	\$192,056	\$276,561	\$84,505
<hr/>				
TOTAL:	57	\$279,500	\$1,168,206	\$888,706

¹ The FY 2015 revenue is projected based upon a full fiscal year. Because the proposed fees are anticipated to be operative no earlier than January 1, 2015, six months into FY 2015, the Department anticipates actual increased revenue for FY 2015 to be half of the amount indicated. Actual revenue for FY 2015 would be prorated by the number of months remaining in the fiscal year.

Social Impact

The Department anticipates the proposed amendments will have an overall positive social impact. New or modified sources of air pollution in New Jersey cannot be constructed, nor may pollution control equipment be installed, without a permit from the Department. The Department pays for its air permitting and enforcement programs through fees charged to the regulated entities. If the revenue from fees and the funds appropriated to the Air Program from the State's general fund to cover any shortfall from fee revenue are insufficient to cover the Department's costs, there could be significant reductions in services and delays in processing and issuing approvals of permits, potentially resulting in delays for industry to implement new or improved processes that would reduce emissions harmful to human health. Also, significant

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reductions in inspection and enforcement staff due to reduced fee revenue and appropriation could adversely impact the protection of public health and welfare. Moreover, any deficit will continue to be borne by the taxpayers as a whole, rather than those facilities to which the permits are issued. Adequate funding will allow the Department to maintain sufficient staff (including permitting, monitoring, enforcement, and source testing staff) to support facility regulation programs that are critical to the improvement of air quality in New Jersey, and to ensure compliance with the National Ambient Air Quality Standards (NAAQS) for air pollutants such as fine particulates (PM_{2.5}), oxides of nitrogen (NO_x), ozone, and sulfur dioxide (SO₂). Adequate funding will also allow the Department to continue, and possibly expand, its pilot program in the Ironbound section of Newark, through which the Department notifies the public by mail and electronic mail when a major facility applies for an air permit in the community, and provides residents with informal information sessions regarding the permit.

Economic Impact

The Department anticipates that the proposed amendments will have an economic impact on the regulated community, as described below. Additionally, the proposed amendments will shift to the regulated community most of the costs of operating the minor facility preconstruction permit program and of reviewing significant modification applications for major facilities. Currently, because revenue from fees is inadequate to cover the costs of the program, New Jersey taxpayers bear much of those costs, insofar as funds are appropriated from the State's general fund to make up the difference between the cost of the Air Program and the revenue derived from fees.

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Fee Increases for Minor Facilities

The Department regulates approximately 18,000 minor facilities through the minor facilities program (N.J.A.C. 7:27-8). As discussed in the Summary, the proposed increase for minor facilities would be to the fees for general permits and to fees for the preconstruction permits to which minor facilities are subject. The Department estimates the increased fees will result in additional revenue to the Department of \$4.5 million in FY 2015 (the first year in which this increase would be in effect), compared to the revenue from the existing fees (in effect since FY 2010, the year of the last fee increase). The FY 2015 increase amount is likely to be representative of the increase for the succeeding years of the five-year period, that is, FY 2016 through FY 2019. Each year the minor facilities program receives approximately 1,000 applications for source-specific preconstruction permits (including modifications), approximately 3,000 applications to renew operating certificates, and approximately 3,200 applications for general permits and general permit renewals. Allocating the fee increase to the 7,201 permit applications or renewals in a given year (see Table 5 above) results in an average increase of just under \$620.00 per permit application.

General Permit Fees (Minor Facilities)

The Department issues more than 2,000 general permits each year to government and industrial sources. The Department charges a single fee for each general permit regardless of the number of pieces of equipment covered by the permit. (The Department estimates that the typical general permit covers four to six pieces of equipment that would otherwise require individual permits.) The most commonly-issued general permits are for facilities with many

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pieces of similar equipment, such as emergency generators and small boilers and heaters. These facilities benefit most from the cost savings resulting from not being charged per individual piece of equipment. To further assist the regulated facilities, the Air Quality Permitting Program has dedicated customer service staff to provide assistance to applicants for general permits. This service often helps small businesses obtain general permits without incurring the expense of hiring consultants. Increased funding for this program, by way of increased fees, will support the services the Department provides to the regulated facilities.

The Department proposes to raise all general permit registration and renewal fees for minor facilities to \$820.00. Most facilities would see an increase in general permit fees of \$410.00 per registration, and \$410.00 per renewal. For minor facilities registering a perchloroethylene dry-cleaning general permit (GP-12A), the increase would be \$235.00 per registration and \$235.00 per renewal; for a minor facility registering an authorization to operate a used oil space heater, the increase would be \$525.00 per registration and \$525.00 per renewal.

Registration under a general permit is for a five-year period. Table 9 demonstrates the increased costs to a private or government facility over a 10-year period, representing one registration and one renewal five years later.

TABLE 9 – TEN-YEAR COST IMPACT OF GENERAL PERMIT FEE INCREASE

Activity	Current Fee	Proposed Fee	Fee Increase	Increase Amortized over 10 Years
Minor Facility (other than dry cleaner):				
Initial Registration	\$410.00	\$820.00	\$410.00	

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One Renewal	\$410.00	\$820.00	\$410.00	
TOTAL	\$820.00	\$1,640.00	\$820.00	\$82.00/year
Minor Facility (perchloroethylene dry cleaner):				
Initial Registration	\$585.00	\$820.00	\$235.00	
One Renewal	\$585.00	\$820.00	\$235.00	
TOTAL	\$1,170.00	\$1,640.00	\$470.00	\$47.00/year
Authorization to Operate a Used Oil Space Heater:				
Initial Registration	\$295.00	\$820.00	\$525.00	
One Renewal	\$295.00	\$820.00	\$525.00	
TOTAL	\$590.00	\$1,640.00	\$1050.00	\$105.00/year

As shown in Table 9, under the existing fees, a general permit registrant would pay \$410.00 for the initial general permit and \$410.00 to renew it after five years, for a total cost of \$820.00. Under the proposed fee structure, a general permit registrant would pay \$820.00 for the initial general permit and \$820.00 to renew it after five years for a total cost of \$1,640. Based on a 10-year operating period, total cost would increase by \$82.00 per year. For perchloroethylene dry cleaners, the cost increase, spread over the 10-year operating period, would be \$47.00 per year. For minor facilities operating a used oil space heater, the cost increase spread over the 10-year operating period, would be \$105.00 per year. The Department estimates the impact of this increase to be \$2.4 million annually.

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Preconstruction Permit Fees (Minor Facilities)

Each year the minor facilities program receives approximately 1,000 applications for source-specific preconstruction permits (including modifications), approximately 3,000 applications to renew operating certificates, and approximately 3,200 applications for general permits and general permit renewals. The base and supplementary fees in the existing rules do not adequately reflect the time expended by the Department, as discussed in the Summary; the proposed increase to the base and supplementary fees is approximately 44 percent, or \$2.1 million per year. Examples of how the Department expects the increases to base and supplementary fees to affect typical minor facilities are described below in Tables 10 and 11.

Example 1: A minor facility holding one preconstruction permit with one additional piece of equipment that does not require any permit revisions and requires only the renewal of its operating certificate. (See Table 10.)

TABLE 10 – SAMPLE 10-YEAR COST IMPACT OF PROPOSED PRECONSTRUCTION PERMIT FEE INCREASE

Activity	Existing Fee	Proposed Fee	Fee Increase	Increase
				Amortized over 10 Years
Initial Preconstruction Permit	\$1,755.00	\$2,527.00	\$772.00	
One Additional Piece of Equipment	\$410.00	\$590.00	\$180.00	

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Renewal of Operating Certificate	\$880.00	\$1,267.00	\$387.00	
TOTAL	\$3,045.00	\$4,384.00	\$1,339.00	\$133.90/year

Example 2: A minor facility holding one preconstruction permit with one additional piece of equipment that is undergoing equipment modifications requiring a permit revision, a compliance plan change, and a seven-day notice change. The facility also requires the renewal of its operating certificate. (See Table 11.)

TABLE 11 – SAMPLE 10-YEAR COST IMPACT OF PROPOSED PRECONSTRUCTION PERMIT FEE INCREASE

Activity	Existing Fee	Proposed Fee	Fee Increase	Fee Increase Amortized over 10 Years
Initial Preconstruction Permit	\$1,755.00	\$2,527.00	\$772.00	
One Additional Piece of Equipment	\$410.00	\$590.00	\$180.00	
One Application for Revision	\$1,755.00	\$2,527.00	\$772.00	
One Application for Compliance Plan Change	\$585.00	\$842.00	\$257.00	
One Seven-Day Notice Change	\$585.00	\$842.00	\$257.00	
Renewal of Operating Certificate	\$880.00	\$1,267.00	\$387.00	
TOTAL	\$5,970.00	\$8,595.00	\$2,625.00	\$262.50/year

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Fee Increases for Major Facilities

The Department regulates approximately 270 major facilities through the major facilities program (N.J.A.C. 7:27-22). As discussed in the Summary, the Department proposes to increase fees to major facilities for general operating permits and for significant modification applications. Compared to the number of general permits issued each year (about 3,200) to minor facilities, the Department has to date issued only a small number of general operating permits (about 30) for major facilities; the resulting impact is less than \$25,000 per year. More significant is the impact from the fee increases for significant modification applications, a small portion of which, also described in the Summary, are more complex and involve correspondingly greater fees. (Typically, major facility significant modification applications do not require the more complex analysis.) The Department estimates the proposed amendments to the fees it charges facilities submitting significant modification applications would result in an overall fee increase to the facilities of \$888,706 in FY 2015 (the first year in which this increase would be in effect) over the existing fees (subject to proration by the number of months remaining in the fiscal year after the rules are operative). The FY 2015 increase amount is likely to be representative of the increase for the succeeding years of the five-year period, that is, FY 2016 through FY 2019.

Significant Modification Fees for Most Major Facilities

Table 12 below shows the fee increases for a typical significant modification application, that is, one that does not require a determination of PSD or whether emission offsets in N.J.A.C. 7:27-18 apply. Under the proposed fees, the base fee would be \$3,118.00 for the application and the supplementary fee would be \$9,259 (\$842.00 to post the public notices and \$8,417 to review the SOTA analysis). The total fee to the permittee would be \$12,377.

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TABLE 12 - FEE FOR A TYPICAL SIGNIFICANT MODIFICATION APPLICATION NOT REQUIRING PSD OR SUBCHAPTER 18 APPLICABILITY DETERMINATION

	Existing Fee	Proposed Fee	Increase
Base Fee	\$2,165.00	\$3,118.00	\$953.00
Supplementary Fee			
- SOTA Analysis	\$5,845.00	\$8,417.00	\$2,572.00
- Public Notice	\$585.00	\$842.00	\$257.00
TOTAL	\$8,595.00	\$12,377.00	\$3,782.00

Significant Modification Fees for a Major Facility with High Emissions (requiring a more complex analysis)

For significant modifications requiring complex reviews (a high-emitting facility requiring an application determination for prevention of significant deterioration (PSD) or emission offsets under N.J.A.C. 7:27-18, etc.), a new flat fee of \$50,000 (per modification) is being proposed. Under the existing rules, these high-emitting facilities pay, on average, between \$25,000 and \$35,000 for each significant modification. An example of such a significant modification application is shown in Table 13 below.

TABLE 13 – FEE FOR A TYPICAL SIGNIFICANT MODIFICATION APPLICATION REQUIRING PSD OR SUBCHAPTER 18 APPLICABILITY DETERMINATION

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	Existing Fee	Proposed Fee	Increase
Base Fee	\$585.00		
Supplementary Fee			
- BACT Evaluation (three pollutants)	\$17,535.00		
- Sub 18 Applicability	\$5,845.00		
- LAER Evaluation	\$11,690.00		
- NSPS Evaluation (two pollutants)	\$3,510.00		
- Public Notice	\$585.00		
- Public Hearing	\$5,845.00		
Total:	\$45,595.00	\$50,000.00	\$4,405.00

In the example in Table 13, the facility would pay a fee of \$45,595 under the existing rules. It could pay more, or less, depending upon the number of pollutants emitted requiring BACT evaluation or NSPS review. Under the proposed fees, an application involving a determination of PSD or emission offset applicability would be charged a flat fee of \$50,000. In the case of the example in Table 13, this would represent an increase of approximately 10 percent over the existing fees.

The proposed fee increases will help reduce the burden on New Jersey taxpayers of supporting these essential programs. Because the increases are spread over a large number of facilities, the Department does not believe that they will create a significant burden on most individual facilities.

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Environmental Impact

These proposed amendments are expected to have a positive impact on environmental quality. With the proposed increase in fees to an appropriate funding level, staff can continue to timely approve air pollution control permits, conduct inspections, and respond to complaints. The anticipated increased revenues will also allow the Department to continue providing adequate oversight of the air pollution sources and take action, when necessary, to reduce emissions to ensure continued protection of the environment. Conversely, without these amendments, the resulting continued funding shortfall could severely hamper the Department's efforts to reduce its permit review backlogs. Without increased fees, should the appropriations from the general fund be inadequate to pay the cost of the Air Program, more than 343 additional major facility permit applications will be backlogged each year (comprised of 93 permit renewal applications per year and 250 modification applications per year), delaying the approvals of air pollution control permits.

Lack of appropriate funding could also affect the Department's ongoing efforts to attain and maintain compliance with the national health standards for air pollutants such as ozone, NO_x, SO₂, PM_{2.5}, and HAPs. Ozone damages the leaves of trees and other plants, ruining the appearance of cities, national parks, and recreation areas. Ozone reduces crop and forest yields and increases plant vulnerability to disease, pests, and harsh weather. This impacts annual crop production throughout the United States, resulting in significant losses, and injures native vegetation and ecosystems. Ground-level ozone also damages certain man-made materials, such as textile fibers, dyes, and paints, requiring more frequent upkeep and repair.

NO_x and SO₂ emissions contribute to the adverse environmental impacts from acid rain. Acid rain causes damage to forests, soil, and aquatic ecosystems; damage to infrastructure and

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human health; and reduces visibility. In addition to the formation of acid rain, SO₂ and NO_x condense into an aerosol component of fine particulate matter, or PM_{2.5}. Among other negative environmental impacts, PM_{2.5} causes reduced visibility (also called “regional haze”). Reduction in fine particulate matter in New Jersey will have a positive environmental impact including improved visibility. Reduced visibility is a problem in both urban and rural areas, but is of most concern in national parks and wilderness areas that are valued for their aesthetic qualities.

Emissions of HAPs and toxic substances cause serious environmental effects. For example, some toxic air pollutants such as mercury can deposit onto soils or surface waters, where plants take them up. They can be ingested by animals and eventually magnified up through the food chain. Like humans, animals may experience health problems if exposed to sufficient quantities of air toxics over time. These health effects can include damage to the immune system, as well as neurological, reproductive (such as reduced fertility), developmental, respiratory, and other health problems.

Federal Standards Statement

Executive Order No. 27 (1994) and N.J.S.A. 52:14B-1 et seq. (P.L. 1995, c. 65) require State agencies that adopt, readopt, or amend State regulations that exceed any Federal standards or requirements to include in the rulemaking document a Federal standards analysis.

The proposed amendments to N.J.A.C. 7:27-8 regarding funding of the minor facilities program are not promulgated under the authority of, or in order to implement, comply with or participate in, any program established under Federal law, or under a State statute that incorporates or refers to a Federal law, Federal standards or Federal requirements. Accordingly, no further analysis is required.

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The proposed amendments to the fees in N.J.A.C. 7:27-22 do have a Federal connection. Section 502 of the Clean Air Act (42 U.S.C. § 7661a(b)(3)(A)) requires New Jersey to enact legislation that would require permitted sources to pay a fee “sufficient to cover all reasonable (direct and indirect) costs required to develop and administer the permit program” Annual emission fees cover the Department’s costs of regulating existing major facilities. The annual emission fees do not, however, cover the Department’s costs to regulate the major facilities that apply for significant modifications. The additional costs associated with regulating these facilities are paid by revenue from permitting fees. The Air Pollution Control Act at N.J.S.A. 26:2C-9.5.d(1)(c) requires each major facility to pay a fee for any significant modification in accordance with a fee schedule. Also, N.J.S.A. 26:2C-9.b(7) gives the Department the authority to charge administrative fees, in accordance with a fee schedule, for any of the services the Department performs or provides in connection with administering the Air Pollution Control Act. The existing fee schedule for significant modification applications is at N.J.A.C. 7:27-22.31(s).

The proposed amendments to N.J.A.C. 7:27-22 do not impose fees in excess of what the Department reasonably requires to develop and administer the program; accordingly, the amendments do not exceed Federal law and no further analysis is required.

Jobs Impact

The Department anticipates that the proposed amendments will have a small, but nevertheless positive, impact on job creation and retention in the State. The Department strives to issue air pollution control permits as expeditiously as possible, in recognition of the importance of overall responsiveness to the regulated community, while ensuring that the air

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permit programs continue to protect the quality of air in the State. Representatives of business and industry have sometimes commented, within the context of stakeholder outreach, that fees, in general, create a disincentive to maintain or expand businesses in New Jersey.

Representatives of New Jersey's business interests have commented that backlogs in permitting have made affected businesses in New Jersey less competitive, making them less likely to remain or expand here. These comments were not limited to air permitting. These representatives did not cite concrete evidence for their comments, but the Department believes that the comments accurately reflect the attitudes of the representatives.

Over the past several years, the Department has succeeded in drastically reducing backlogs in air preconstruction permits. In March 2008, 31 preconstruction permit applications were backlogged. By March 2014, the Department reduced the backlog to four applications, which is a decrease of more than 87 percent. Similarly, the Department has cut the operating permits backlog from 103 in March 2008, to 68 in March 2014, which is a 34 percent reduction.

Although the Department believes that there has been a positive impact on jobs as a result of these increases in the efficiency and productivity of the air permit program, these impacts are difficult, if not impossible, to ascertain and quantify. Determining whether the proposed fee increases will have an impact on jobs, or the extent of any such impact, is similarly difficult or impossible. Reducing the backlog made it possible for permittees to construct, reconstruct, or modify equipment more quickly and more rapidly realize the economic benefits of those capital improvements. The proposed fees will allow the Department to maintain its progress in reducing the permitting backlog, thereby preserving the benefits that the regulated community has realized.

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Agriculture Industry Impact

The Department expects the proposed amendments to have no effect on the agriculture industry, since these proposed amendments would increase fee amounts without making substantive changes to the air permitting programs. In terms of a direct impact on agriculture, most agricultural sources of air pollution are exempt from permit requirements under N.J.A.C. 7:27-8, and are not sufficiently large to qualify as major sources under N.J.A.C. 7:27-22.

Regulatory Flexibility Analysis

As required by the New Jersey Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq., the Department evaluated the reporting, recordkeeping, and other compliance requirements that the proposed amendments would impose upon small businesses. The Regulatory Flexibility Act defines the term "small business" as "any business which is a resident in this State, independently owned and operated and not dominant in its field, and which employs fewer than 100 full time employees."

The Department has determined that some small businesses may be affected by the proposed amendments to the fees charged to minor facilities, N.J.A.C. 7:27-8.6. These proposed amendments do not impose any reporting, recordkeeping, or other compliance requirements other than the increased fees. To date, approximately 18,000 small businesses have applied for preconstruction permits. If a small business is a minor facility, then the proposed amended fees at N.J.A.C. 7:27-8.6 would apply to it. The impact of the proposed amended fees on the business is discussed in the Summary of proposed amendments to N.J.A.C. 7:27-8, and the Economic Impact above. The Department has determined no small business is a major facility, subject to

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N.J.A.C. 7:27-22; accordingly, the proposed amendments to N.J.A.C. 7:27-22.31 will not apply to small businesses in the State.

The proposed amended fees themselves were not designed to minimize the impact of the fees on small businesses. However, the proposed increases retain and reflect the underlying structure of the permitting program, which does, to some extent, address this issue. The Department cannot base fees on the size of the applicant's facility, because it does not necessarily take the Department less time to process an individual permit from a small business. Instead, the Department provides, where appropriate, the option of obtaining a general permit, which helps keep down the cost of permitting to small businesses; the proposed increased fees retain this option.

Housing Affordability Impact Analysis

In accordance with N.J.S.A. 52:14B-4.1b, the Department has evaluated the proposed amendments to determine their impact, if any, on the affordability of housing. The Department does not anticipate that the proposed amendments will have any impact on the affordability of housing units or result in a change in the average costs associated with such housing, as the proposed amendments relate to fees for air pollution control permits for major and minor facilities.

Smart Growth Development Impact Analysis

In accordance with N.J.S.A. 52:14B-4.1b, the Department has evaluated the proposed amendments to determine their impact, if any, on housing production within Planning Area 1 or

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2, or within designated centers, under the State Development and Redevelopment Plan. The proposed amendments are not expected to impact the residential sector; rather, they amend fees for air pollution control permits for major and minor facilities. Therefore, the amendments will not evoke a change in housing production in Planning Areas 1 or 2, or within designated centers.

Full text of the proposal follows (additions indicated in boldface **thus**; deletions indicated in brackets [thus]):

SUBCHAPTER 8. PERMITS AND CERTIFICATES FOR MINOR FACILITIES (AND MAJOR FACILITIES WITHOUT AN OPERATING PERMIT)

7:27-8.6 Service fees

- (a) A registrant shall submit the applicable registration fee listed in the Base Fee Tables below with the completed registration, [form as follows:
1. If a registrant submits a paper registration form, the registrant shall submit the fee and form to the mailing address listed on the form.
 2. If a registrant registers online, the registrant shall submit the fee as directed by the Internet-based registration software] **using NJDEP Online (the Department's online permit application portal).**
- (b) After a person submits a completed application form or notice, the Department will assess and invoice the person for the base fee and any supplementary fee due to the Department, assessed in accordance with the Base Fee [Schedule] **Tables** and the

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Supplementary Fee Schedule below. The person shall submit any fees so assessed, **either using NJDEP Online or** to the mailing address [or website address] listed on the invoice, within 30 days of receipt of the invoice.

(c) – (f) (No change.)

(g) The owner or operator of a facility subject to N.J.A.C. 7:27-22 is not required to pay the operating certificate fees set forth in **the** Tables [1, 2, 5, 6 and 10] below after June 30, 1995. However, the owner or operator of a facility subject to N.J.A.C. 7:27-22 is required to maintain operating certificates for sources at the facility under this subchapter until the issuance of an operating permit for the facility. In addition, after June 30, 1995, the owner or operator shall pay fees in accordance with N.J.A.C. 7:27-22.31 for any significant modification, as defined in the operating permits rules at N.J.A.C. 7:27-22.1, while the issuance of an operating permit for the facility is pending.

(h) – (k) (No change.)

(l) An increase of the fees in the Base Fee Tables and Supplementary Fee Schedule shall be determined in accordance with this subsection.

1. (No change.)

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2. An increase shall be calculated using an inflation factor based on the Consumer Price Index, All Urban Consumers, United States city average, all items (CPI-U) published by the United States Department of Labor, Bureau of Labor Statistics, available at <http://www.bls.gov/cpi>. The inflation factor used shall be the percent change over the preceding five-year period for the CPI-U, except the preceding six-year period shall be used to calculate the January 1, 2010, through [January 30, 2015] **December 31, 2014**, five-year period.

3. – 4. (No change.)

5. If the inflation factor is a positive number, the percent increase shall be rounded to one decimal place. Each of the fees set forth in this [subchapter] **section** shall be multiplied by the rounded percent increase to preliminarily determine each fee's increase. Each fee's increase shall then be added to the fee to preliminarily determine the adjusted fee. The final adjusted fee shall then be determined by rounding up the preliminary adjusted fee to the next five dollars.

6. - 7. (No change.)

8. The applicable fee shall be determined as follows:
 - i. The Base Fee shall be the Base Fee operative on the date the Department receives an administratively complete application or notice.

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- ii. The Supplementary Fee shall be the Supplementary Fee operative on the date performance of the supplementary activity is completed.

A. BASE FEE TABLES

Table A-1
Registration fees

<u>Activity</u>	<u>Basis</u>	
	Electronic Registration ^[1]	[Paper Registration ¹]
Registration for initial authorization, or renewal of authorization, to act under a General Permit:		[Note: The Department will not accept paper registrations on or after January 1, 2010]
	[Through December 31, 2009]	[Through December 31, 2009]
	January 1, 2010, through December 31, 2014	January 1, 2015, through December 31, 2019
Listed at N.J.A.C. 7:27-8.8(c), other than (c)12	[\$350.00]	\$410.00
		\$820.00
		[\$500.00]

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Listed at N.J.A.C. 7:27- 8.8(c)12 [\$500.00] \$585.00 **\$820.00** [\$750.00]

Registration for initial authorization, or renewal of authorization, to operate a used oil space heater under N.J.A.C. 7:27-20.3 [\$250.00] \$295.00 **\$820.00** [\$250.00]

[_____]

¹ If the Department has not configured e-NJEMS to accept an electronic registration, thereby forcing the registrant to submit a paper registration, the registrant shall pay the electronic registration fee.]

Table A-2
Permit fees

<u>Activity</u>	<u>Basis</u>	<u>Amount</u>
		[Through January 1, January 1, December 2010, 2015, 31, 2009] through through December December 31, 2014 31, 2019

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Application for a preconstruction permit and operating certificate	Per first piece of equipment per initial permit application	[\$1,500]	\$1,755	\$2,527
	Per each additional piece of equipment per initial permit application	[\$350.00]	\$410.00	\$590.00
Application for environmental improvement pilot test	Per application	[\$500.00]	\$585.00	\$842.00
Renewal of an operating certificate	Per first piece of equipment per operating certificate	[\$750.00]	\$880.00	\$1,267
	Per each additional piece of equipment per operating certificate	[\$200.00]	\$235.00	\$338.00

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Application for a preconstruction permit and operating certificate revision	Per first new or changed piece of equipment per permit revision application	[\$1,500]	\$1,755	\$2,527
	Per each additional new or changed piece of equipment per permit revision application	[\$350.00]	\$410.00	\$590.00
Application for a compliance plan change	Per application	[\$500.00]	\$585.00	\$842.00
Notice of a seven-day- notice change	Per notice	[\$500.00]	\$585.00	\$842.00

Table A-3

Notice of amendment fees

Activity Basis Amount

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			[Through December 31, 2009]	January 1, 2010, through December 31, 2014	January 1, 2015, through December 31, 2019
Change in identifying information under N.J.A.C. 7:27-8.21(b)1	Per facility	[\$100.00]	\$120.00		\$173.00
Transfer of ownership under N.J.A.C. 7:27-8.21(b)2	Per facility	[\$100.00]	\$120.00		\$173.00
Change in equipment or stack designation under N.J.A.C. 7:27-8.21(b)3	Per preconstruction permit and operating certificate amended	[\$100.00]	\$120.00		\$173.00
A change listed in N.J.A.C. 7:27-8.21(b)4, 5, 6, or 8	Per preconstruction permit and operating certificate amended	[\$500.00]	\$585.00		\$842.00
Correction of a typographical error under N.J.A.C. 7:27-8.21(b)7	Per preconstruction permit and operating certificate amended	[\$100.00]	\$120.00		\$173.00
Change in identifying information on a	Per facility	[\$100.00]	\$120.00		\$173.00

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registration form as

specified under N.J.A.C.

7:27-8.21(d)1

Transfer of ownership of a	Per facility	[\$100.00]	\$120.00	\$173.00
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registered facility under

N.J.A.C. 7:27-8.21(d)2

B. SUPPLEMENTARY FEE SCHEDULE

[Activity] <u>Activity</u>	[Basis] <u>Basis</u>	[Amount] <u>Amount</u>
		[Through January 1, January 1, December 2010, 2015, 31, 2009] through through December December 31, 2014 31, 2019

1. Prevention of Significant Deterioration

a. Determine PSD Applicability	\$8,417
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[i. Screen for PSD Applicability	[Per Applicable Air Contaminant	[(Reserved)	[(Reserved)
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ii. Determine PSD Applicability]	Per Review]	(Reserved)]	(Reserved)]	
b. Perform BACT Evaluation	Per Applicable Air Contaminant	[\$5,000]	\$5,845	\$8,417
2. Sub 18 Emission Offsets				
a. Determine Sub 18 Applicability	Per Review	[\$5,000]	\$5,845	\$8,417
b. Perform LAER Evaluation	Per Applicable Air Contaminant	[\$5,000]	\$5,845	\$8,417
3. RACT - AEL				
a. Review Technology	Per Applicable Air Contaminant	[\$5,000]	\$5,845	\$8,417
b. Prepare SIP Revision	Per SIP Revision	[\$2,500]	\$2,925	\$4,212
4. Perform MACT Evaluation	Per MACT Standard	[\$1,500]	\$1,755	\$2,527
5. Perform NSPS	Per NSPS	[\$1,500]	\$1,755	\$8,417

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Evaluation

6.	Perform SOTA Case-by- Case Evaluation	Per Applicable Air Contaminant	[\$5,000]	\$5,845	\$8,417
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7. Public Comment

a.	Post Public Notices	Per Public Comment Period	[\$500.00]	\$585.00	\$842.00
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b.	Conduct Public Hearing	Per Hearing	[\$5,000]	\$5,845	\$8,417
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c.	Prepare Response to Comments Document	Per Response	[\$250.00]	\$295.00	\$425.00
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		Maximum Per Document	[\$5,000]	\$5,845	\$8,417
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8. Ambient Air Monitoring

a. Review Protocol

i.	For criteria pollutants, or for other pollutants or parameters for	Per Protocol	[\$1,500]	\$1,755	\$2,527
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which EPA has				
provided guidance				
ii. For other pollutants or	Per Protocol	[\$2,500]	\$2,925	\$4,212
parameters for which				
EPA has not provided				
guidance				
b. Inspect Monitoring	Per Inspection	[\$500.00]	\$585.00	\$842.00
Locations and				
Equipment				
Installation				
c. Review Quality Assurance Plan				
i. For criteria pollutants,	Per Plan	[\$1,500]	\$1,755	\$2,527
or for other pollutants				
or parameters for				
which EPA has				
provided guidance				
ii. For other pollutants or	Per Plan	[\$2,500]	\$2,925	\$4,212
parameters for which				
EPA has not provided				
guidance				
d. Review Data	Per Required Report	[\$500.00]	\$585.00	\$842.00
e. Audit [equipment]	Per Audit	[\$500.00]	\$585.00	\$842.00

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Equipment

9. Air Quality Impact Analysis - PSD

a. Evaluate Protocol	Per Protocol	[\$2,000]	\$2,340	\$3,370
b. Review Screening	Per Review	[\$1,000]	\$1,170	\$1,685
	Modeling			
c. Review Refined	Per Review	[\$3,500]	\$4,095	\$5,897
	Modeling			

10. Air Quality Impact Analysis - non PSD

a. Evaluate Protocol	Per Protocol	[\$1,000]	\$1,170	\$1,685
b. Review Screening	Per Review	[\$1,000]	\$1,170	\$1,685
	Modeling			
c. Review Refined	Per Review	[\$1,500]	\$1,755	\$2,527
	Modeling			

11. Risk Assessment

a. Evaluate Protocol	Per Protocol	[\$1,500]	\$1,755	\$2,527
b. Review Risk	Per Review	[\$1,500]	1,755	\$2,527

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Assessment

12. Testing

a. Stack Test

i. Evaluate Protocol	Per Protocol Per Stack	[\$750.00]	\$880.00	\$1,267
(up to three probes)				
ii. Evaluate	Per Protocol Per Stack	[\$1,000]	\$1,170	\$1,685
Protocol (more than three probes)				
iii. Review Testing	Per Report Per Stack	[\$750.00]	\$880.00	\$1,267
Report (up to three probes)				
iv. Review Testing	Per Report Per Stack	[\$1,000]	\$1,170	\$1,685
Report (more than three probes)				

b. Continuous Emission Monitors

i. Evaluate	Per Protocol Per Stack	[\$500.00]	\$585.00	\$842.00
Equipment				

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	Protocol				
ii.	Evaluate	Per Protocol Per Stack	[\$500.00]	\$585.00	\$842.00
	Performance				
	Specification				
	Test Protocol				
iii.	Review Testing	Per Report Per Stack	[\$500.00]	\$585.00	\$842.00
	Report				
c.	On-site Monitoring	Per Day Per Person	[\$750.00]	\$880.00	\$1,267
	of Sample Collection				
	Pursuant to an				
	Approved Source-				
	Specific Testing				
	Protocol				
d.	Periodic Monitoring	Per Protocol	[\$250.00]	\$295.00	\$425.00
	Equipment Protocol				
13.	Periodic Compliance	Per Inspection Per	[\$400.00]	\$470.00	\$677.00
	Inspection	Certificate			

SUBCHAPTER 22. OPERATING PERMITS

7:27-22.31 Fees

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(a) The owner or operator of a facility subject to this subchapter shall submit fees to the Department in accordance with this section. The type of fee due, and the amount due, will vary depending on the fiscal year, the amount of regulated air contaminant emissions at the facility, and the number of significant source operations at the facility. The types of fees are:

1. – 5. (No change.)

6. Fees to register sources under a general operating permit or to register used oil space heaters set forth at (p), (t), [and] (x), **and (aa)** below.

(b) - (d) (No change.)

(e) Operating permit modification fees shall be paid after submittal of an application for a significant modification, in accordance with (g) and (k) through [(x)] **(aa)** below.

(f) - (j) (No change.)

(k) After the Department receives an application from a permittee for a significant modification of an operating permit, the Department will determine the significant modification application fee in accordance with the fee schedules referenced in (k)1 and 2 below. The significant modification application fee shall not exceed \$50,000 per significant modification.

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1. The base fee for application review, from the applicable Base Fee Schedules in (r), [and] (v), **and** (y) below; and
2. Any applicable fees for additional services, assessed in accordance with the applicable Supplementary Fee Schedules in (s), [and] (w), **and** (z) below.

(l) - (o) (No change.)

(p) If an application for an approval of an environmental improvement pilot test is related to an application for a significant modification, the Department shall determine the applicable fee from the Base Fee Schedules at (r), [and] (v), **and** (y) below and the Supplementary Fee Schedules at (s), [and] (w), **and** (z) below. After the Department receives the completed application form, the Department of the Treasury will send an invoice to the applicant. If a registration of a general operating permit or a used oil space heater is related to an application for a significant modification, the registrant shall submit the applicable registration fee from the Registration Fee Schedules at (t), [and] (x), **and** (aa) below.

(q) – (t) (No change.)

(u) An increase of the fees in the Base Fee Schedule and Supplementary Fee Schedule shall be determined in accordance with this subsection.

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1. – 3. (No change.)
4. If the inflation factor is a negative number, the fees set forth in [(r), (s) and (t) above] **(y), (z), and (aa) below** shall remain unchanged.
5. If the inflation factor is a positive number, the percent increase shall be rounded to one decimal place. Each of the fees set forth in [(r), (s) and (t) above] **(y), (z), and (aa) below** shall be multiplied by the rounded percent increase to preliminarily determine each fee's increase. Each fee's increase shall then be added to the fee to preliminarily determine the adjusted fee. The final adjusted fee shall then be determined by rounding up the preliminary adjusted fee to the next five dollars.
6. (No change.)
7. The adjusted fees shall be operative starting the first day of each five-year period stated in Table 1. [From January 1, 2010 through December 31, 2014, the adjusted fees shall be set forth in (v) through (x) below.]
8. (No change.)
9. **From January 1, 2010, through December 31, 2014, the adjusted fees are set forth at (v) through (x) below.**

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10. From January 1, 2015, through December 31, 2019, the adjusted fees are set forth at (y) through (aa) below.

(v) – (x) (No change.)

(y) Effective January 1, 2015, through December 31, 2019, the adjusted Base Fee Schedule for significant modification applications shall be (y)1 through 4 below.

Applications subject to the \$50,000 application fee in (y)4 below are not subject to (y)1 through 3 below and the supplementary fees at (z) below.

<u>Activity</u>	<u>Basis</u>	<u>Amount</u>
1. Application for a significant modification for which the change meets the definition of modification at N.J.A.C. 7:27-22.1, and for which a PSD or N.J.A.C. 7:27-18 applicability determination is not required	Per first new or changed piece of equipment per significant modification application	\$2,527
	Per each additional new or changed piece of equipment per significant modification application	\$590.00
2. Application for a significant modification in which the change does not meet the definition of modification at	Per significant modification application	\$842.00

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N.J.A.C. 7:27-22.1

3. Application for environmental improvement pilot test	Per application	\$842.00
4. Application for a significant modification for which the change meets the definition of modification at N.J.A.C. 7:27-22.1 and for which a PSD or N.J.A.C. 7:27-18 applicability determination is required	Per application	\$50,000

(z) Effective January 1, 2015, through December 31, 2019, the adjusted Supplementary Fee Schedule for significant modification applications shall be (z)1 through 12 below.

<u>Activity</u>	<u>Basis</u>	<u>Amount</u>
1. Prevention of Significant Deterioration		
a. PSD Applicability		Included
i. Screen for PSD Applicability	Per Applicable Air Contaminant	N.J.A.C. 7:27-

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ii. Determine PSD Applicability	Per Review	22.31(y)4
b. Perform BACT Evaluation	Per Applicable Air Contaminant	
2. Sub 18 Emission Offsets		
a. Determine Sub 18 Applicability	Per Review	Included
b. Perform LAER Evaluation	Per Applicable Air Contaminant	in N.J.A.C. 7:27-22.31(y)4
3. RACT - AEL		
a. Review Technology	Per Applicable Air Contaminant	\$8,417
b. Prepare SIP Revision	Per SIP Revision	\$4,212
4. Perform MACT Evaluation	Per MACT Standard	\$2,527
5. Perform NSPS Evaluation	Per NSPS	\$2,527
6. Perform SOTA Case-by-Case Evaluation	Per Applicable Air Contaminant	\$8,417

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7. Public Comment

a. Post Public Notices	Per Public Comment Period	\$842.00
b. Conduct Public Hearing	Per Hearing	\$8,417
c. Prepare Response to Comments Document	Per Response	\$425.00
	Maximum Per Document	\$8,417

8. Ambient Air Monitoring

a. Review Protocol

i. For (1) criteria pollutants or (2) other pollutants or parameters for which EPA has provided guidance	Per Protocol	\$2,527
ii. For other pollutants or parameters for which EPA has	Per Protocol	\$4,212

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not provided guidance

b. Inspect Monitoring Locations and Equipment Installation	Per Inspection	\$842.00
c. Review Quality Assurance Plan		
i. For (1) criteria pollutants or (2) other pollutants or parameters for which EPA has provided guidance	Per Plan	\$2,527
ii. For other pollutants or parameters for which EPA has not provided guidance	Per Plan	\$4,212
d. Review Data	Per Required Report	\$842.00
e. Audit Equipment	Per Audit	\$842.00

9. Air Quality Impact Analysis - PSD

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a. Evaluate Protocol	Per Protocol	Included
b. Review Screening Modeling	Per Review	in
c. Review Refined Modeling	Per Review	N.J.A.C.
		7:27-
		22.31(y)4

10. Air Quality Impact Analysis - non PSD

a. Evaluate Protocol	Per Protocol	\$1,685
b. Review Screening Modeling	Per Review	\$1,685
c. Review Refined Modeling	Per Review	\$2,527

11. Risk Assessment

a. Evaluate Protocol	Per Protocol	\$2,527
b. Review Risk Assessment	Per Review	\$2,527

12. Testing

a. Stack Test

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i. Evaluate Protocol (up to three probes)	Per Protocol Per Stack	\$1,267
ii. Evaluate Protocol (more than three probes)	Per Protocol Per Stack	\$1,685
iii. Review Testing Report (up to three probes)	Per Report Per Stack	\$1,267
iv. Review Testing Report (more than three probes)	Per Report Per Stack	\$1,685
 b. Continuous Emission Monitors		
i. Evaluate Equipment Protocol	Per Protocol Per Stack	\$842.00
ii. Evaluate Performance Specification Test Protocol	Per Protocol Per Stack	\$842.00
iii. Review Testing Report	Per Report Per Stack	\$842.00

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c. On-site Monitoring of Sample Per Day Per Person \$1,267
Collection Pursuant to an
Approved Source-Specific Testing
Protocol

d. Periodic Monitoring Equipment Per Protocol \$425.00
Protocol

(aa) Effective January 1, 2015, through December 31, 2019, the adjusted fee schedule for a registration is set forth at (aa)1 and 2 below.

<u>Activity</u>	<u>Basis</u>
	<u>Per Electronic Registration</u>
1. Registration for initial authorization, or renewal of authorization, to act under a General Operating Permit	\$820.00
2. Registration for, or five-year renewal of, authorization to operate a used oil space heater under N.J.A.C. 7:27-20.3	\$820.00