

## MEMORANDUM

TO: Dr. Gill C. Wright

FROM: John Finke

DATE: December 5, 2023

SUBJECT: Air Pollution Permit Fees for Calendar Year 2023

Title V of the Clean Air Act requires an operating permit program for major air pollution sources. The Act requires that sufficient funds be collected from these sources to cover the cost of the program. The fee schedule outlined in Section 10.56.080, "Permit and Annual Emission Fees" of Chapter 10.56, "Air Pollution Control" of the Metropolitan Code of Laws and Regulation No. 13, "Part 70 Operating Permit Program" follows the Clean Air Act guidelines which require an annual fee of \$25.00 per ton of allowable emissions of all regulated air pollutants, except carbon monoxide. The fee is adjusted upward each year by the increase in the Consumer Price Index since 1989. This methodology would result in a fee of \$61.73 per ton for 2023. However, the same regulations prohibit the department from collecting more than necessary to run the program. Each year, the Board of Health has granted a variance from the provisions of Section 10.56.080(E)(1)(e) of Chapter 10.56 to all permitted sources. Three years ago, the Board established an annual emission fee of \$40.00 per ton of regulated air pollutants, except for carbon monoxide.

For Metro's FY 2024 budget, MPHD projected the need to collect revenues, for the Title V permitting program and the general air pollution fund, of \$330,000 and \$150,000, respectively. Maintaining the \$40.00 per ton fee is projected to result in the collection of \$330,710 and \$162,226.

In conclusion, I am requesting that this matter be placed on the December 14, 2023, Board of Health agenda and I am recommending that the Board grant a one year variance from the provisions of Section 10.56.080 of the Metropolitan Code of Laws for all sources located in Nashville, Davidson County, Tennessee, by establishing an annual emission fee of \$40.00 per ton of regulated air pollutants, except for carbon monoxide, for calendar year 2023.

cc: Holly Rice