



PREPROPOSAL STATEMENT OF INQUIRY

CR-101 (June 2004)
(Implements RCW 34.05.310)
Do NOT use for expedited rule making

Agency: Department of Ecology AO # 11-07

Subject of possible rule making: The Air Quality Fee Regulation (Chapter 173-455 WAC) includes fees for a number of air quality activities. This rule-making will focus on:

1. Increasing general registration program fees for businesses that release small amounts of emissions and report those emissions every three years.
2. Re-establishing registration fees for gas stations and other sources that emit gasoline vapors.
3. Clarifying the process for calculating registration fees.
4. Consolidating the registration program fees for various businesses into one location within Chapter 173-455 WAC.

Fees for business that report emissions annually are being increased through the procedures and formula currently established in rule (WAC 173-455-040). Since the Legislature approved raising these fees and the fee formula is already defined, these fee increases will not require a rule change and will go into effect in 2012.

Statutes authorizing the agency to adopt rules on this subject: Section 302(2), Chapter 50, Laws of 2011 (partial veto) ([2ESHB 1087-S.SL](#)) authorizes Ecology to increase registration fees by up to 36 percent. [RCW 70.94.151](#) provides authority to establish registration fees that cover the cost of operating the program. Because Ecology does not currently collect registration fees for sources emitting gasoline vapors, Ecology is seeking legislative authority during the 2012 session to reinstate and adopt fees for these sources.

Reasons why rules on this subject may be needed and what they might accomplish: See Attachment A.

Identify other federal and state agencies that regulate this subject and the process coordinating the rule with these agencies:

Seven local air agencies regulate registration program sources in their jurisdiction. These are the [Benton Clean Air Agency](#), [Northwest Clean Air Agency](#), [Olympic Region Clean Air Agency](#), [Puget Sound Clean Air Agency](#), [Southwest Clean Air Agency](#), [Spokane Regional Clean Air Agency](#), and [Yakima Regional Clean Air Agency](#). While there is no regulatory overlap between agencies regarding registration program fees, Ecology will apprise the agencies of our actions via email at the rule making milestones of pre-proposal, proposal and adoption.

Process for developing new rule (check all that apply):

- Negotiated rule making
- Pilot rule making
- Agency study
- Other (describe) Ecology will hold public meetings to give an overview of the key issues related to this rule-making and explain the different ways the public, stakeholders, and interested parties can participate in the rule-making process. We will send notice to those impacted by the rule change. To explain the elements of the proposed fee schedules, Ecology will distribute information via a web site, press release, mailing and agency email list serve. Ecology will also hold at least one public hearing on the rule proposal prior during the comment period.

Ecology will hold separate meetings for the businesses that are part of the general registration program and for those that would be part of the new gasoline vapor recovery system inspection program. The first meeting for the general registration program is January 10th. The first meeting for sources emitting gasoline vapors is February 2nd. Refer to Attachment B for more information on these meetings.

To follow our rule-making process, click on <http://www.ecy.wa.gov/laws-rules/wac173455/11-07.html>.

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Attachment A.

Reasons why rules on this subject may be needed and what they might accomplish

The Air Quality Fee Regulation applies to a number of air quality programs. This rule making only focuses on the Air Quality Source Registration Program.

What is the purpose of the Air Quality Source Registration Program?

Businesses that generate small and moderate amounts of air pollution must register for the Air Quality Source registration program.

The registration information helps us to:

- Maintain a current and accurate record of air pollution sources in Washington.
- Provide businesses with technical assistance on how to comply with Clean Air Act requirements.
- Verify that businesses are complying with air pollution control requirements.
- Evaluate the effectiveness of air pollution control strategies.
- Gather and verify emissions data.

Doing so will help minimize harmful emissions at the source.

What is the purpose of this rule making?

The state Clean Air Act requires registered sources of air pollution to cover the cost of the program. Existing fees fall short of what is needed to effectively monitor and reduce harmful emissions and other activities necessary for the program. To reduce reliance on the General Fund, Ecology would update general registration program fees. The Legislature authorized a 36 percent increase for these fees. Through this rule making we will establish how this increase is applied. Ecology would also adopt new fees to cover the cost of conducting an inspection program for gas stations and other sources that emit gasoline vapors.

Why are we increasing fees for the general registration program for businesses that report emissions every 3 years?

The Air Quality Source Registration Program currently relies heavily on state General Fund dollars. The registration program is necessary to ensure that sources of air pollution operate in a way that minimizes emissions to comply with the Clean Air Act and protect human health. To help cover the cost and to reduce reliance on the General Fund, the Legislature gave Ecology the authority to increase the general registration program fees by up to 36 percent in the 2011-2013 biennium. Even with this increase, the fees will not cover all of the costs to operate this program.

Why are we re-establishing registration fees for gas stations and other businesses that emit gasoline vapors?

Gasoline recovery systems that aren't routinely inspected and properly maintained are much more likely to fail, putting the public at risk. Gasoline vapors contain toxic and carcinogenic chemicals. They also contain volatile organic compounds that contribute to ozone, another human health hazard. If safeguards aren't in place, these harmful fumes can escape as gas is transferred into storage tanks or dispensed at the pump.

Ecology has jurisdiction over air quality in San Juan County in western Washington and most counties in central and eastern Washington. (Many other areas in Washington are regulated by clean air agencies.) Of the entities that have jurisdiction in Washington, Ecology is the only one without a gasoline recovery system inspection program.

Ecology is seeking legislative authorization to collect gasoline vapor fees.

Ecology does not currently impose registration fees on gas stations and other businesses that emit gasoline vapors, although we have in the past. Ecology recognizes that gasoline vapor is a significant source of toxic air pollution and more needs to be done to manage these emissions. Ecology is seeking legislative authority during the 2012 session to reinstate and adopt these fees, to implement the inspection program and help these businesses operate in a way that keeps the public safe and protects air quality.

Attachment B. Public meetings

General registration program

Date: January 10, 2012

Time: 2 pm to 4 pm

Location:

Big Bend Community College
7662 Chanute Street N.E.
Moses Lake, WA 98837

A call-in number is available for people who want to participate but are unable to travel to Moses Lake.

Call in number: (360) 407-3780

PIN Code: 353382 #

Gasoline vapor recovery system inspection program

Date: February 2, 2012

Time: 9 am to noon

Location: Video conference meeting

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