

ENVIRONMENTAL MANAGEMENT COMMISSION  
 AIR QUALITY COMMITTEE MEETING SUMMARY  
 September 9, 2020

Virtual Public Meeting  
 9:00 - 10:05 AM



**MEETING BRIEF**

During the September 9, 2020 meeting, the Air Quality Committee (AQC) of the Environmental Management Commission (EMC) heard:

- Concept 540- Adoption of Final Emission Guidelines for Existing Landfills presented by Mr. Rahatul Ashique, DAQ staff.
- Concept 552- Revision to Update Nitrogen Oxides (NOx) State Implementation Plan (SIP) Rules presented by Ms. Joelle Burleson, DAQ staff.
- Request for Approval of 30-day Waiver on Rule Revisions and Fiscal Note to the Fee Structure Revisions for North Carolina’s Title V Operating Permit Program and for Approval to Proceed to Public Hearing on Rule Revisions to 15A NCAC 02Q .0203 and Fiscal Note presented by Ms. Katherine Quinlan, DAQ staff.

AQC MEMBERS IN ATTENDANCE	
Ms. Shannon M. Arata, AQC Chair	Ms. Marion Deerhake
Mr. Charles S. Carter, AQC Vice-Chair	Dr. Suzanne Lazorick, EMC Vice-Chair
Ms. Yvonne Bailey	Ms. Maggie Monast
Ms. Donna Davis	

OTHERS IN ATTENDANCE	
Dr. Stan Meiburg, EMC Chairman	Mr. Mike Abraczinskas, DAQ Director
Mr. John McAdams, EMC	Mr. Michael Pjetraj, DAQ Deputy Director
Ms. Patricia Harris, EMC	DEQ Staff
Mr. Donald van der Vaart, EMC	Members of the public
Mr. Philip Reynolds, EMC Counsel	

**PRELIMINARY MATTERS**

**Agenda Item I-1, Call to Order and the State Government Ethics Act, N.C.G.S. §138A-15**

**AQC Chair Arata** called the meeting to order and inquired, per General Statute §138A-15, as to whether any member knows of any known conflict of interest or appearance of conflict with respect to matters before the EMC’s AQC. No conflicts were identified.

**Agenda Item I-2, Review and Approval of the July 8, 2020 Meeting Minutes**

**Chair Arata** inquired whether everyone had been able to review the minutes from the July 8, 2020 meeting, and if there were any additional changes or corrections. No changes or corrections were cited. **Chair Arata** asked for a motion to approve the July 2020 meeting minutes. **Commissioner Bailey** made a motion to approve the minutes, and **Commissioner Deerhake** seconded. The motion was unanimously approved.

**RULEMAKING CONCEPTS****Adoption of Final Emission Guidelines for Existing Landfills (540) (Rahatul Ashique, DAQ)****Description:**

Mr. Rahatul Ashique, presented the concept for Adoption of Final Emission Guidelines for Existing Landfills. This adoption will revise the municipal solid waste landfill rules incorporating the final EPA emission guidelines for existing landfills.

Mr. Ashique highlighted key elements and chronology of EPA rule actions for existing emissions guidelines for landfills. On August 29, 2016, the EPA finalized changes to the Standards of Performance for Municipal Solid Waste (MSW) Landfills. The EPA's review identified advances in technology and operating practices for reducing emissions of landfill gases (LFG). The EPA promulgated a new subpart, 40 CFR Part 60, Subpart XXX, *Standards of Performance for Municipal Solid Waste Landfills That Commenced Construction, Reconstruction, or Modification After July 17, 2014*. These updated standards were automatically adopted by incorporation through 15A NCAC 02D .0524, *New Sources Performance Standards*. In the same action, the EPA revised the emission guidelines 40 CFR Part 60, Subpart Cf, which applies to existing MSW landfills that accepted waste after November 8, 1987 and commenced construction, reconstruction, or modification on or before July 17, 2014. Mr. Ashique indicated that the EPA wanted to account for significant changes occurring in the landfill sector over time, including changes to the size of existing landfills, the industry practices regarding gas control methods, and implemented technologies. The Federal 40 CFR Part 60, Subpart WWW, *Standards of Performance for Municipal Solid Waste Landfills*, will continue to apply to MSW landfills that commenced construction, reconstruction, or modification after May 30, 1991 and before, July 17, 2014, until there is an approved state or federal plan that implements the emission guidelines in 40 CFR Part 60, Subpart Cf.

On July 8, 2019, EPA updated the implementing regulations for 111(d), under a new subpart, 40 CFR Part 60, Subpart Ba, *Adoption and Submittal of State Plans for Designated Facilities*, during the promulgation of the Affordable Clean Energy rule. Specifically, this action amended the timing requirements in 40 CFR 60.23 and 60.27, for submission of state plans, and the issuance of federal plans.

On August 26, 2019, the EPA adopted the 40 CFR Part 60, Subpart Ba requirements under 40 CFR 60, Subpart Cf. The EPA also set a compliance date of August 29, 2019 for the states to submit state plans. The EPA shall determine completeness of a state plan within 6 months of the state submission and approve or disapprove the state plan within 12 months of the completeness determination.

On March 26, 2020, the EPA adopted changes to 40 CFR Part 60, Subpart Cf, where the EPA allowed impacted sources to demonstrate compliance with landfill gas controls, and operating, monitoring, recordkeeping and reporting requirements in the MSW Landfills National Emission Standards for Hazardous Pollutants (NESHAP).

North Carolina is required to develop, revise, and align air quality regulations and submit a state plan to the EPA for approval. The rules in Section 15A NCAC 02D .1700 should be revised to implement the revisions to the

Emission Guidelines for MSW Landfills. The rulemaking process timeline as presented for amendments to the landfill rules will result in an effective date of September 1, 2021.

**Discussion:**

**EMC Chairman Meiburg** asked how the rule amendments will apply to the emissions guidelines in relation to NSPS, specifically, for landfill facilities that commenced construction, reconstruction, or modification after July 17, 2014. He continued by asking how many of these are under the authority of 111(b) versus the authority of 111(d) emissions guideline.

Mr. Joshua Harris, DAQ Permit Section Engineer, landfill rule expert, indicated that landfills already modified or planned to be modified after July 17, 2014, will be subject to the new NSPS, under Subpart XXX, and landfills not modified, will be subject under the Emissions Guideline, Subpart Cf.

**Chairman Meiburg** then asked whether any of these rule amendments represent a relaxation from the existing emissions standards for methane from landfills.

Mr. Harris responded to the question by indicating “no” and adding they are connected. For example, the landfills affected by methane emissions, the thresholds by which landfills will have to install the gas collection system changed from 50 megagrams/year to 34 megagrams/year. Those landfills would install a gas collection system controlling the non-methane organic compounds (NMOC) which will also control methane emissions, by default.

**Motion:**

No motion was required.

**Revisions to Update Nitrogen Oxides (NO<sub>x</sub>) State Implementation Plan (SIP) Rules (552)** (Joelle Burluson, DAQ)

**Description:**

Ms. Joelle Burluson presented the concept for Revisions to Update Nitrogen Oxides State Implementation Plan Rules (NO<sub>x</sub> SIP rules), 15A NCAC 02D .1400.

Ms. Burluson started her presentation giving a summary of actions taken for 15A NCAC 02D .1400. She indicated that 15A NCAC 02D .1400 were part of the Group 6 re-adoption rules; however, to comply with recent EPA rule changes, and to include comments received during the re-adoption process, the rules were proposed to be evaluated separately.

She indicated the purpose of the proposed changes will be to (1) re-establish state-level NO<sub>x</sub> SIP Call ozone season budgets for electricity generating units (EGUs) and large industrial boilers in our state rules, and (2) provide clarification and verification for large industrial boilers with the option to use methods other than 40 CFR Part 75, continuous emissions monitoring system (CEMS) provisions, to verify emissions during the ozone season for purpose of tracking compliance with the NO<sub>x</sub> SIP call ozone season budgets established for the period May 1 through September 30 of each year.

Ms. Burluson provided a summary of NO<sub>x</sub> SIP Call rules process, and indicated that completing these actions will enable removal of the Clean Air Interstate Rules (CAIR) from North Carolina’s Clean Air Act Section 110 SIP and may provide regulatory relief to owners or operators of large industrial boilers subject to the NO<sub>x</sub> SIP Call.

Under EPA’s *Emissions Monitoring Provisions in State Implementation Plans Required Under the NO<sub>x</sub> SIP Call*, 84 FR 8422, March 8, 2019, EPA allows states to revise their SIPs to allow for alternatives to 40 CFR Part 75 Subpart H CEMS for large industrial boilers (non-EGUs) not participating in a budget trading program and not otherwise subject to 40 CFR Part 75 CEMS requirements under another authority. That rule also requires SIPs to

contain some form of monitoring consistent with the NOx SIP Call's general enforceability requirements (40 CFR 51.121(f)(1) and (i)(1)), and provisions to address anti-backsliding requirements.

She also indicated that comments and feedback were received from commenters, as well as EPA during the H74 rules re-adoption process for Group 6 rules. The EPA commented that the State needs to revise the form of monitoring requirements required in state rules consistent with the NOx SIP Call's general enforceability and monitoring requirements at 40 CFR 51.121(f)(1) and (i)(1); and reflect the appropriate state level budgets for EGUs and non-EGUs within North Carolina's SIP rules to address anti-backsliding requirements. North Carolina NOx SIP rules regarding the emission budget trading program were repealed some time back and the repeal was approved by EPA. However, over the time, EPA has seen the program transition, not only in North Carolina but other states, for non-EQU sources, where the states need to update the rules to reflect the state level budgets. It is an obligation on the states to ensure these budgets continue to be met over time.

Mrs. Burleson presented the recommendation of revising 15A NCAC 02D .1400 rules to (1) incorporate NOx SIP Call statewide ozone season budgets for EGUs and large industrial boilers to satisfy anti-backsliding requirements of 40 CFR Part 51, and (2) provide to large industrial boilers subject to NOx SIP Call the option to use methods other than CEMS to track NOx emissions to demonstrate compliance with the statewide budget. She added that actual ozone season NOx emissions associated with the affected EGUs and large industrial boilers are well below the budgets and this action is not expected to require any additional NOx controls.

Mrs. Burleson added that the next steps to follow will be to (1) develop draft rule language and associated regulatory impact analysis, (2) continue to seek feedback from EPA and affected sources, and (3) proceed through rulemaking. The proposed schedule for the rule-making process was presented, subject to change, with the tentative effective date for the rule amendments of September 1, 2021.

**Discussion:**

**Commissioner Deerhake** asked whether the option for the states is or could be more stringent than the federal level regarding CEMS related to the Federal Register notice, and if this invokes the Hardison Amendment<sup>1</sup>. Mrs. Burleson responded the notice indicates the option for CEMS is left open to the states for monitoring purposes and so the Hardison Amendment may be implicated but defers to legal counsel to answer that question. **Commissioner Deerhake** then requested the need to see more information, before going to rule drafting, to know what the inventory of emissions for the affected sources is, and what the potential transport deposition is for the nitrogen. She explained that nitrogen deposition, whether it is ammonia or NOx, is an important issue continuously addressed by EPA as part of the NAAQS review for secondary standards. Mr. Randy Strait, DAQ Planning Section Chief, responded that the rule only applies to large industrial boilers, and the Federal Register notice provides monitoring flexibility, thereby allowing states to create an alternative to the CEMS requirements. Most of these facilities subject to the rule have CEMS that have reached the end of their useful life and are costly to replace. Replacement of the CEMS would be unnecessary by establishing an alternative way to track emissions from these industrial boilers and still demonstrate compliance with the emissions budget during the ozone season, five months from May through September. Mr. Strait indicated that these facilities are about 20% below their budget, several have even closed, but specific data can be provided for these facilities at the next meeting.

**Commissioner Deerhake** reiterated her request for more information on these facilities and their emissions. Mr. Strait also indicated EPA just approved South Carolina's revisions to their rules for large industrial boilers. These revisions will serve as a model for the rule group, and Mr. Strait went on to note Alabama is also updating their rule to allow for alternative monitoring as well. **Commissioner Deerhake** asked what source category applies to this rule. Mr. Strait responded that these industrial boilers were pulled in by the original NOx SIP Call, and they are located in Pulp and Paper Mills, and there is one at UNC Chapel Hill. The rule applies to large industrial boilers over a certain size and certain heat input rate. These units were orphaned when EPA transitioned from the

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<sup>1</sup> <https://www.ncleg.gov/Sessions/2013/Bills/Senate/PDF/S734v3.pdf>

NOx SIP Call to CAIR and the Cross-State Air Pollution Rule (CSAPR). **Commissioner Deerhake** asked **EMC Counsel Reynolds** about interpretation related to the options of the rule. **Counsel Reynolds** responded he was not prepared to respond on the spot and will review this issue to present a response at the next meeting.

**EMC Chairman Meiburg** said before moving on to rulemaking, he would appreciate the following information: (1) what alternative monitoring options are available, and their level of accuracy in comparison to CEMS; (2) provide details of how many sources currently have CEMS installed; and (3) how many sources could ultimately be covered by the exemption, or are not otherwise subject to CEMS requirements by provisions of the Clean Air Act. Mr. Strait responded that the requested information will be provided at the next meeting. **Chairman Meiburg** commented he expects the Fiscal Note to include a description of estimated cost savings related to shifting from CEMS technology to alternative monitoring. Ms. Burleson indicated that information would be included. **Commissioner Deerhake** clarified that the information requested by **Chairman Meiburg** needed to be received before moving on to the rule drafting step. **Commissioner Deerhake** asked **Chair Arata** and legal counsel that since this is a consensus action by the committee, whether they may halt further action on this rulemaking until the requested information is provided, to which **Counsel Reynold** agreed.

**Commissioner Carter** asked whether there is a regulatory or legal deadline for this rule making process. Mrs. Burleson responded there was no deadline, at this time.

Consensus by the committee without objection was to wait on rulemaking until the requested information is presented at the next meeting.

**Motion:** No motion was required.

### **ACTION ITEMS**

**Request for Approval of 30-day Waiver on Rule Revisions and Fiscal Note to the Fee Structure Revisions for North Carolina's Title V Operating Permit Program and for Approval to Proceed to Public Hearing on Rule Revisions to 15A NCAC 02Q .0203 and Fiscal Note (551)** (Katherine Quinlan, DAQ)

Ms. Katherine Quinlan presented and highlighted the relevant details to proposed amendments to the rule 15A NCAC 02Q .0203, Permit and Application Fees.

She started the presentation indicating that Clean Air Act Section 502(b)(3) requires each air agency to collect fees "sufficient to cover all reasonable (direct and indirect) costs required to develop and administer" the Title V program. The fee structure currently in place in North Carolina for Title V facilities relies on emission tonnage, which has declined significantly since 2009 and led to a projected Title V funding shortfall for the current fiscal year, 2020-2021. The last revision action done for these Title V fees was in March of 2008, and that action allowed for annual tonnage fee increases through 2011. Additionally, in 2018 new fees for new Air Curtain Incinerator (ACI) Title V General Permits were established. The current rule language lists the annual fees from 2011 and includes the application fees from 1994. The rule language also allows for annual inflation adjustments. Each year the Division publishes a list of these inflation-adjusted fees so that facilities know the fee for the calendar year. The revised rule will incorporate the fee revisions that are being proposed in this rulemaking, which will be effective in 2021, as well as the annual inflation adjustments for the unchanged fees, so that all of the fees are listed on a consistent basis, and the ACI Title V General Permit fees that were established in 2018.

Ms. Quinlan presented an overview of Title V program funding gap. The Division estimates that its total annual revenue required will be about \$8 million, directed in the majority to staffing pay, and a smaller amount for current equipment and operations. The most recent fiscal year receipts were about \$6.3 million, which has led to a funding gap of about \$1.7-1.8 million. The incorporation of the Title V funds required for the Division's salary

administration plan leads to a revised total of about \$8.6-8.7 million, and a revised funding gap of about \$2.3 million.

In May and June of 2020, the Division held a series of stakeholder meetings, and conducted a research of fee structures used in other states, focusing primarily on the southeastern states. The findings indicated that each state follows a unique structure and/or combinations of various options. The information gathered was categorized into five options. The first option is the fee by tonnage, or “per ton” fee, applied to either allowable or actual emissions. The second option is a base annual fee, either being just a minimum fee, tiered fees, or fees specific to certain facility categories, such as EGUs or paper mills. The third option is application fees, either based on the type of application or extent of the review, or only limited to certain types of applications such as greenfield or expedited applications. The fourth option is the use of hourly review fees, and billed similar to consultants, based on the hours used to perform specific tasks, such as, permit reviews, stack test observations, or inspection report reviews. The fifth includes various “a la carte” options, which could be additional fees for compliance-related activities, such as stack test observations or inspection report reviews, or additional annual fees to reflect the complexity of the facility or its level of HAPs. They could also be for certain application components, such as a public comment period or air dispersion modeling that could result in higher fees on top of the application fee. These options were presented and discussed during the stakeholder meetings held earlier this year, the regulated community outreach in July, and the AQC and EMC meetings held in July.

Ms. Quinlan also presented the Title V permit fee structure currently in place in North Carolina, and the proposed fee changes for this rulemaking with projections up to 2025. Currently, in North Carolina, Title V facilities pay an annual fee, which consists of a base fee, tonnage fee, and nonattainment area fee, if applicable. In this rulemaking, the Division is proposing to increase the base fee to \$10,000 and the tonnage fee to \$40 per ton. The Division is also proposing to add complexity fees, which will be paid annually on top of the base and tonnage fees, according to whether the facility is identified as moderately or highly complex. A moderately complex facility will be one that is subject to at least 3 and no more than 6 federal programs, and a highly complex facility will be defined as one subject to 7 or more federal programs. The programs that will be used to determine complexity were listed at the bottom of the slide. The PSD and CAA 112r Risk Management will each count as a program, as well as each subpart under NSPS, NESHAP or MACT, with the exception of the general requirement subparts, such as Subpart A, which are listed out specifically in the proposed rule language. Title V facilities also will pay application fees that are dependent upon the type of application. Currently, the DAQ charges \$988 for minor and significant modifications, and if the applicant chooses the 2-step process, the fee is charged at both steps. With these revisions, the minor modification fee will increase to \$3,000, and the significant modification fee will increase to \$7,000, regardless of whether the 1-step or 2-step process is utilized. For 2-step applications, the fee will be charged with first application, and no fee will be charged with the second application. There are additional fees in place that are not being revised, such as other application or annual fees. These will only change by the already-allowed inflation adjustment to bring them to 2021 values, but no further revisions beyond the inflation adjustment are proposed to those fees. The fees were projected through 2025 with the annual inflation adjustments, with an assumed a Consumer Price Index increase of 1.54% each year.

Ms. Quinlan also talked about the impact to the regulated community. She indicated that the majority of the facilities regulated under Title V in the state are owned by private industry, 22 facilities are owned by local governments entities (counties and municipalities), 2 facilities are owned by state government, and 4 facilities are owned by the federal government. The cost per affected sector was determined by comparing projected revenues in the first year of the new fees, with the revenues projected from a 2020 base model that was developed. The total cost was around \$1.9 million, mainly impacting the private industry sector.

Ms. Quinlan explained the assumptions used in the revenue models. It was assumed, with the exception of ACIs, the number of facilities billed, which affects the base fees, will remain constant from 2019 levels. The ACIs

facilities were assumed differently due to the numbers of new Title V permits issued recently, including in the first half of 2020. The number of ACI facilities was assumed to remain constant from the current levels, and just one additional facility will expect to be billed beginning in Year 1. In relation to annual tonnage fees, the Division obtained projections from Duke Energy, and projected emission changes for four additional facilities to estimate future emissions through 2023. It was assumed that emissions for all others will remain constant. For the application fees, the Division used a 3-year average from 2017-2019 for the incremental impact from the increased modification application fees, and a 5-year average from FY 2014-2015 through FY 2018-2019 for all Title V applications to reflect the inflation adjustments.

Ms. Quinlan also presented a table with the key inputs to the revenue models. The inputs for local, state, and federal government owned facilities were assumed to remain constant from year to year. For private industry, the number of facilities billed increased by one starting in Year 1 to account for that additional source that was mentioned earlier, and the emission projections indicate a decrease in emissions billed for private industry facilities in Year 1 over 2020. The complexity of the facilities and number of applications submitted remains constant across the projection period. In addition, she presented the tabulated 5-year projected impact to the regulated community relative to the 2020 base model. The annual fees were divided into base and tonnage fees. The total five-year impact from this analysis was determined to be approximately \$10 million. The Net Present Value of costs to the regulated community and resulting benefit to the Division, using a discount rate of 7%, is approximately \$8.2 million. The last table showed the 5-year projected revenues relative to the most recent fiscal year, FY 2019-2020. Adjusted for planning to implement the salary administration plan in three phases, so the total funding needed increases through year 3 and then remains constant through year 5. This increase in funding combined with the decrease in tonnage, overrides the annual inflation adjustments beginning in Year 3, which leads to projected funding shortfalls in Years 3 through 5.

Ms. Quinlan highlighted the key details of the approved Fiscal Note. The Fiscal Note outlined some of the alternatives to this rulemaking, including the evaluation of the effect of not making any changes, with fees only increasing by the annual inflation adjustment. However, this evaluation led to only less than \$100,000 in additional revenue over the FY 2019-2020 receipts, which will not resolve the projected \$2.3 million funding gap, or allow will not meet its CAA Section 502 obligations. Another option was to make a large increase in tonnage fees. While a large enough increase could resolve the funding gap, the continued trend of decreasing emissions makes this an unsustainable model over time. Lastly, the Division evaluated the option of charging facilities based on the amount of DAQ staff hours spent towards a particular task related to the facility. However, this option did not provide certainty for the regulated community since they would not know their fee until the end of the review process.

The tentative rulemaking process timeline was presented with projecting the rule amendment to be effective for spring 2021.

It was recommended the Committee approve the proposed rule and fiscal note for presentation to the EMC, as well as recommendation for a 30-day waiver to request approval of the EMC to proceed to public hearing on amendment to the Permit and Application Fees rule and fiscal note.

**Discussion:**

**Commissioner Carter** asked whether this rulemaking process will only apply to Title V permits, and what is the situation for synthetic minor and small permits, and whether the Division will propose, in the future, an increase on fees for those. Ms. Quinlan replied this rulemaking process will only apply to Title V permits. Mr. Mike Abraczynski, DAQ Director, added that this action focuses on the Title V fee, as the analysis presented identified this revenue source having a widening gap between staff hours dedicated to the task and the amount permit holders are responsible to pay. He also indicated that the Division is acting fiscally responsible; however, the non-Title V permit fees need to be modernized and the Division will conduct an internal workload analysis in the future for those permitted sources. The Division plans for 2021 to analyze the workload and fees of the synthetic minors'

facilities, because many of them have very complex and extensive regulatory permits. He added these revenue streams, Title V permits and Synthetic Minor and Small permits, are separate. An analysis of how much percent of staff time should be charged to Title V account will help to establish the target that was discussed in the presentation.

**Commissioner Carter** asked about the proposed timeline schedule set for Spring 2021. Mr. Abraczinskas responded there are some uncertainties within the timeline, and it was not updated since previous presentations as those uncertainties remain. If the EMC decides to proceed with a public hearing during this meeting, then the timeline for a March 2021 effective date is possible. If not, the effective date would be delayed to May 2021. **Commissioner Carter** asked whether the March date incorporates the 30-day waiver to proceed to comment as requested. Mr. Patrick Knowlson, DAQ Rules Development Supervisor, confirmed the 30-day waiver timeline envisions March as the effective date.

**Commissioner van der Vaart** asked whether a notification was received from EPA related to this matter, because EPA can notify states if there is an identified deficiency in funding. Mr. Abraczinskas responded that EPA has not sent any communication related to deficiency in funding.

**Commissioner van der Vaart** asked how the current fee structure compares to the default fee structure of the Clean Air Act. Mr. Abraczinskas responded that he had no knowledge of that, but he recognizes the structure relies heavily on the tonnage concept, which the presentation shows becomes an unsustainable model for a receipts-based program. He added that for decades, a decrease in reported emissions have been experienced, yet complexity and workload have gone up, leading to both concepts going in opposite directions.

**Commissioner van der Vaart** indicated that he knew that the Division informs EPA that funding, although lower than \$25 per ton multiplied by CPI, is still adequate, and inquired why the Division thinks it will not meet CAA Section 502 if nothing is done. Mr. Abraczinskas responded, indicating the schedule to report to EPA for the upcoming periodic Title V program audit, which is projected to occur in late 2020 or early 2021., and EPA will have the opportunity to provide their comments. He added that EPA Title V audits are performed periodically in each calendar year.

**Commissioner van der Vaart** asked about the staff salaries in relation to Title V, specifically, whether it is associated with the Division's ability to run the Title V program and how it was analyzed and broken down. Mr. Abraczinskas indicated that it is a separate component, as presented to the stakeholders' workgroup, and the workgroup agreed conceptually with the need for staff salary changes. For staff salaries, the workgroup recommended a 3-year staged approach, which was reflected in the proposal presented to the Committee today.

**Commissioner van der Vaart** mentioned his concerns about the current economic situation, with layoffs and furloughs, in comparison to state employees and asked about how long the Division was running with red numbers. Mr. Abraczinskas responded that funding and spending details were presented to both AQC and EMC commissions in July 2020 meetings. It was illustrated the year-by-year spending and revenue levels. In the last 4 years, where spending has lasted above the revenue, the Division has carried a balance. The Division has reached the breaking point that balance has been spent, and adjustments are being properly made.

**Commissioner van der Vaart** asked whether the Division was asking for 30 % increase over current revenues, and also requested to see the spending numbers of the last 2 to 3 years. Mr. Abraczinskas indicated that July 2020 AQC meeting PowerPoint presentation, slide 5, contained the requested information and is available online. He also added that on July 29, 2020 a Webinar was held for Title V stakeholders, with a participation of 142 members. The webinar was recorded and posted on the DEQ Youtube channel. On July 30, 2020, the same presentation was presented at the North Carolina Manufacturers Alliance event, with a participation of approximately 40 members. In both events, the Division asked explicitly for the participants to share comments and concerns about the proposal. So far, 4 companies expressed their concerns of how many federal programs can apply to their facilities under the complexity option. Only one facility expressed concern about how much the permit fee could increase

in their case. He indicated that the feedback received is available. Again, **Commissioner van der Vaart** asked about the breakdown of money on slide 5, indicating that the information was not reflected on the slide. Mr. Abraczinskas pointed to slide 16, indicating that it better illustrated the spending related to staffing, and indicated that the Division is not running in red numbers because there is a balance.

**Commissioner Lazorick** indicated that information presented at the July 2020 EMC meeting was extensive and asked whether the proposed fees presented at the July 2020 meeting were different than in today's presentation. Ms. Quinlan responded the proposal presented in today's presentation was the same one presented in July 2020. Mr. Abraczinskas added that the information and details are included in the Fiscal Note.

**EMC Chairman Meiburg** thanked the Division for the outreach work done with the stakeholders and organizations impacted by the rule revision and added the importance of the Department to retain staff, which is absolutely in the interest of stakeholders.

**Motion:**

**Chair Arata** opened the floor for a motion to proceed to EMC for approval to Proceed to Public Hearing on Rule Revisions of 15A NCAC 02Q .0203. **Commissioner Deerhake** made the motion to approve, and **Commissioner Bailey** seconded. The agenda item was unanimously approved.

**SEPTEMBER EMC AGENDA ITEMS**

\* **Request Approval of Hearing Officers' Report on Adoption of Control of Emissions from Log Fumigation Operations, 15A NCAC 02D .0546 and Amendment to Toxic Air Pollutant Guidelines, 15A NCAC 02D .1104 and Final Approval of Fiscal Note (548)** (Michael Pjetraj, DAQ)

Due to time constraints, this agenda item was not presented during this meeting. **Chair Arata** stated it will be moved for discussion in the full Commission meeting of September 10, 2020.

**INFORMATIONAL ITEMS**

**Agenda Item V-1, Director's Remarks** (Mike Abraczinskas, DAQ)

Due to time constraints, Director's remarks were not presented and moved to full Commission meeting of September 10, 2020.

**CLOSING REMARKS AND MEETING ADJOURNMENT**

**Chair Arata** asked for additional questions or comments, and upon hearing none, noted that the next meeting of the AQC would be November 18, 2020. **Chair Arata** adjourned the meeting.