



Nebraska Department of Environmental Quality

Date: December 26, 2012
To: Appropriations Committee Members of the Legislature
From: Shelley Schneider, Air Quality Division Administrator – NDEQ
RE: State Fiscal Year 2012 Air Quality Permit Program Report

Enclosed please find a copy of the Air Quality Permit Program Emission Fee Appropriations Report for State Fiscal Year 2012. This report was prepared in accordance with § 81-1505.04.

If you have any questions regarding this report, please feel free to contact me at (402) 471-4299 or at Shelley.Schneider@nebraska.gov.

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**Air Quality Permit Program
Emission Fee
Appropriations Report**

**Presented to Appropriations Committee members of the
Legislature**

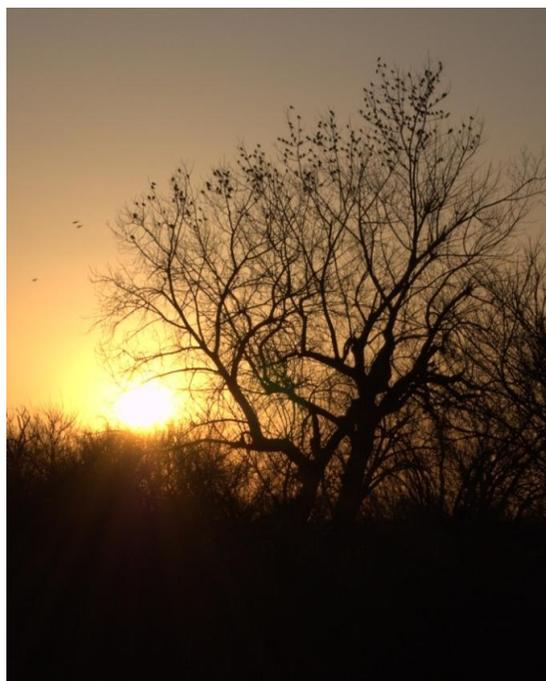
**By the
Department of Environmental Quality**



December 26, 2012

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Tree near Kearney, NE Photo courtesy of Hayden Kaderly

Introduction

The Department of Environmental Quality submits this report to the members of the Appropriations Committee of the Nebraska Legislature, pursuant to Neb. Rev. Stat. §81-1505.04, as amended. This report details all direct and indirect program costs incurred during the State Fiscal Year 2012(SFY 2012) in carrying out the air quality permit program. The permit program is the result of the Federal Clean Air Act Amendments of 1990 (CAAA) and the passage of LB1257 (1992) by the Nebraska Legislature. The Department was required to establish and implement a comprehensive operating permit program for major sources of certain air pollutants. The Federal program is referred to as the Title V program. The State of Nebraska's "Title V program" is often referred to as the Class I program.

Pursuant to the provisions of §81-1505.04, the Department is required to collect an annual fee on the emissions from major sources of air pollution in an amount sufficient to cover the costs of the implementation of the permit program. The statute provides flexibility to develop and adjust the fee according to Federal regulation or "as required to pay all reasonable direct and indirect costs of developing and administering the air quality permit program." The Department's resource tracking and accounting systems allow documentation of time and resources spent on the program. The purpose of this report is to document the revenue generated from emission fees and identify costs associated with the program. In addition, as required by statute, this report identifies the costs incurred by the Department to administer the program for each major source and each primary activity not specific to a major source.

Emerging Issues

A. National Ambient Air Quality Standards & Cross-State Pollution

The Clean Air Act requires EPA to review the National Ambient Air Quality Standards (NAAQS) every five years. These standards are set to protect public health, welfare and the environment. Currently, Nebraska is in compliance, or is in attainment, with all six pollutant standards. There are standards for ozone (O₃), lead (Pb), particulate matter (PM), carbon monoxide (CO), nitrogen oxides (NO_x), and sulfur oxides (SO_x). Changes have occurred recently to the lead, nitrogen oxides and sulfur oxides standards. The Administration announced in September 2011 that it would delay any changes to the ozone standard until the 2013 review. Shortly after that announcement, EPA said the PM10 standard would remain intact.

Nebraska continues to maintain its attainment status with all of the pollutant standards. Looking forward, as the NAAQS have been lowered by EPA significantly for lead, NO_x, and SO_x, ensuring the attainment status is maintained may prove to be challenging. Should Nebraska become non-attainment (not comply) with a NAAQS, the State must develop a strategy to return to compliance typically within 3 to 5 years and sustain on-going compliance. A non-attainment designation may make it difficult for existing industry to easily expand and detract new industry to come into the affected parts of the state.

Furthermore, emissions from one state can sometimes cause or contribute to air pollution issues in a downwind state. This is the fundamental basis of the cross-state air pollution rule (CSAPR) which EPA proposed in 2010 and finalized during the summer of 2011. EPA named Nebraska as a state that has an impact on Wisconsin and their ability to maintain compliance with the 24-hour PM_{2.5} standard. The Nebraska Attorney General's office joined a lawsuit against EPA in District Court challenging the CSAPR rule. The CSAPR rule was to take full effect

January 1, 2012, however, on December 30, 2011; the Court stayed CSAPR pending the court's resolution of the petitions for review. On July 6, 2012, EPA Region 7 partially approved and partially disapproved Nebraska's Regional Haze State Implementation Plan (SIP). Simultaneously, EPA Region 7 imposed a federal implementation plan (FIP) imposing "CSAPR as Better than Best Available Retrofit Technology" for controlling sulfur dioxide (SO₂) emissions at NPPD Gerald Gentleman Station near Sutherland, Nebraska. On August 21, 2012, the US Court of Appeals decided in a 2-1 decision to vacate CSAPR and the CSAPR FIPs and remanded the case to EPA for action consistent with the decision. Nebraska has requested reconsideration of the partial disapproval of our Regional Haze SIP. The ultimate resolution of these issues could have an impact on emissions from power plants in Nebraska.

B. Greenhouse Gas Regulation

As a result of a Supreme Court decision (*U.S. vs. Mass*), the EPA was required to evaluate whether greenhouse gas emissions were endangering the public health and, if so, whether such emissions from vehicles significantly contributed to such endangerment. Therefore, EPA has been working down a path of greenhouse gas emission regulation under the structure of the Clean Air Act. EPA promulgated a mandatory reporting rule for sources whose emissions are over 25,000 tons per year. EPA runs this program. Reporting began in 2011 on calendar year 2010 emissions.

Due to the endangerment finding, EPA also promulgated permitting rules under the Title V operating permit program and the federal prevention of significant deterioration permit program in June 2010. The rules were 'tailored' to meet the unique challenges greenhouse gases brought to permitting. EPA expected states to incorporate the revised rules into their programs by January 2, 2011. The scope of the final rule changed the facilities impacted due to the fact the applicability threshold was raised significantly. At the December 2010 Environmental Quality Council hearing, the Council adopted the proposed rules into Title 129 Nebraska Air Quality Regulations. Thus far, the program has had minimal impact to the permitting program.

In July 2011, EPA finalized a three year deferral for biogenic CO₂ emissions being subject to federal permitting requirements. During the three-year period, EPA deferred the application of PSD and Title V permitting requirements to carbon dioxide emissions from Bioenergy and other biogenic stationary sources. During this period, EPA is conducting an evaluation of the science associated with biogenic CO₂ emissions from stationary sources. Biogenic CO₂ emissions are those directly resulting from the combustion or decomposition of biologically based materials other than fossil fuels and mineral sources of carbon. Examples include, but are not limited to CO₂ emissions from: decomposition of waste in landfills, wastewater treatment or manure management; combustion of biogas collected from landfills, wastewater treatment or manure management; and fermentation during ethanol production. The deferral does not apply to the other greenhouse gas emissions such as methane, nitrous oxide, and fluorinated gases.

Several ethanol facilities in Nebraska became subject to the federal Title V permitting requirements because of their CO₂ emissions from their facility. However, due to the biogenic deferral, many of these ethanol facilities could be synthetic minor (Class II) sources provided 1) they accepted enforceable limits on their fuel combustion and 2) requested a variance to take advantage of the federal deferral. The NDEQ utilized the variance provisions due to the temporary nature of the deferral. The NDEQ made all the ethanol facilities aware of this opportunity, and issued variances to those who requested. Should the biogenic deferral become permanent at the federal level, NDEQ would make the appropriate changes to its program.

In April 2012, EPA proposed a carbon pollution standard for new power plants. The proposed rule, if finalized as proposed would apply only to new fossil-fuel-fired electric generation units larger than 25 MW. New plants employing carbon capture and storage (CCS) technology would have an option to use a 30-year averaging period for the carbon standard. This long averaging time is intended to allow for CCS to become more widely available and cost effective in the future. EPA is expected to make a final decision sometime in 2013.

Definitions

For the purposes of this report, the following definitions have been used:

Chargeable emissions: The total tonnage of regulated pollutants that are emitted from a major source up to and including any applicable caps. A cap of 4000 tons per pollutant applies to all major sources. For mid-size electrical generation facilities, not under jurisdiction of a local air program, that have a nameplate capacity of between 70 and 115 megawatts, a cap of 400 tons per pollutant applies.

Class I – Major Source: An air emissions source who is permitted to emit 100 tons or more per year of PM10, CO, NOx, SOx, and/or VOC, 10 tons of any single HAP, and/or 25 tons of any combination of HAPs; or, 100 tons of greenhouse gases on a mass basis and 100,000 tons of Carbon dioxide equivalent. Such sources are required to obtain a Class I operating permit. Some other source categories are required to obtain a Class I operating permit due to requirements in other regulations. Also known as a Class I major source.

Class II – Synthetic Minor Source: A source that has a potential to emit to be a major source, but through enforceable limits has lowered their potential to emit to below the major source thresholds. Synthetic minor sources either obtain Class II permits or qualify for the Low Emitter program. Synthetic minor sources are not assessed emission fees. Also known as a synthetic minor source.

Compliance Assurance: Assuring compliance includes activities such as conducting facility inspections, responding to complaints, stack test observations, file reviews, voluntary compliance and enforcement.

Direct costs: Direct program costs are those costs incurred through the direct implementation of the Title V program. Examples include: costs of permit review labor, inspector salaries and travel expenses, air monitoring equipment purchases, regulation development, small business assistance and computer modeling software purchases.

Indirect costs: Indirect costs are the programs share of costs incurred by the Department that benefit the entire agency. Examples include: building rent, costs of certain administrative labor such as the Director, the Deputy Directors, and general data management.

Low Emitter Source: A source that has a potential to emit to be a major source, but has demonstrated through records and emission inventories for at least 5 years a history of actual emissions not exceeding 50 percent of major source thresholds for regulated pollutants and are not otherwise required to obtain a permit.

Non Source-Specific Costs: Those costs not specifically attributable to a single source. Examples include: resources required for review of federal regulations, resources required for participation in national organizations, small business assistance, labor for drafting a general air permit, and ambient air monitoring in areas of multiple sources.

Primary Activity: A main functional area of the air program. Examples of primary activities include: permitting, small business assistance, emission inventory, state regulation and program development, compliance assurance, federal policy and rulemaking, and acid rain.

Source-Specific Costs: Those costs specifically attributable to a single source. Examples include: labor for drafting an operating permit for a single source, labor for inspecting a single source, and cost of publishing a public notice for a permit.



Powered by the Sun – Solar panels are used at the NDEQ air quality monitoring station near Weeping Water, NE. Photo courtesy, Chris Hetzler

Direct and Indirect Costs – SFY2011

A. Fees Assessed

Major source emissions were first subject to fees for calendar year 1994 emissions. The following table details the fee rates for the last several years, the date those fees were due, how much was collected, and which fiscal year the fees were intended to fund.

Table 1: Fees Collected

Emission Inventory Year	Fee Rate per Ton of Pollutant	Fee Due Date	Fees Collected	Fiscal Year Funded
2002	\$51	July 1, 2003	\$2,223,487	SFY2004
2003	\$41	July 1, 2004	\$2,216,892	SFY2005
2004	\$38	July 1, 2005	\$1,634,451	SFY2006
2005	\$51	July 1, 2006	\$2,136,050	SFY2007
2006	\$57	July 1, 2007	\$2,410,594	SFY2008
2007	\$57	July 1, 2008	\$2,326,284	SFY2009
2008	\$62	July 1, 2019	\$2,478,420	SFY2010
2009	\$70	July 1, 2010	\$2,666,552	SFY2011
2010	\$66	July 1, 2011	\$2,566,717	SFY2012

B. General Discussion of Program Costs

The Department's SFY2012 estimated expenditures (budget) was \$2,816,236 for the Title V program. The Department expended \$2,619,488 or approximately 93% of the budget. Table 2 provides a summary of SFY2011 expenditures within the Title V program by budget category

Table 2: Title V Program Costs SFY2012 by Budget Category
(July 1, 2011 - June 30, 2012)

Category	Total
Personnel	\$ 1,479,032
Benefits	391,054
Contractual	74,802
Supplies	6,625
Other	18,629
Travel	28,407
Equipment	134
Total Direct Costs:	1,998,707
Total Indirect Costs:	620,781
Total Costs:	\$ 2,619,488
Percent of Budget Expended	93%

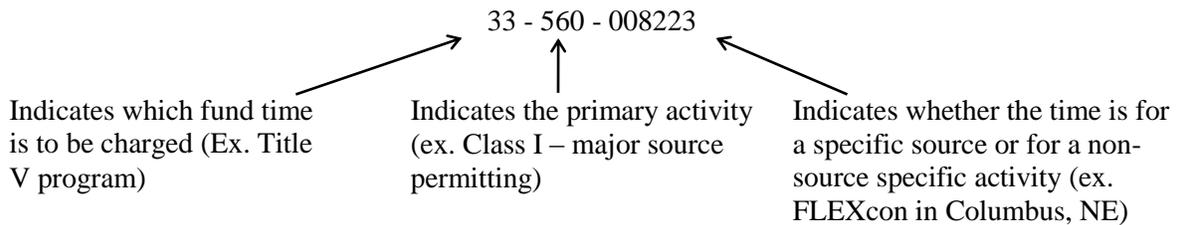
Primary Activity Costs

A. Resource Tracking

The Department has a resource tracking and accounting system that enables the air program expenditures to be segregated. The Department was required to establish a system that provides reporting of resources expended on the primary components of the air quality program, as well as resources expended for each major source. Use of the system commenced in July 1996.

Under the resource tracking system, program activities are charged to the Title V (Class I) program, the “state” program, the Federal 103 program, or to the construction permit application fee program. The emission fee paid by major sources funds the Title V program. The “state” program refers to the 105-grant program. The 105 program is funded by Federal funds and State general funds. The Federal 103 program is funded wholly by Federal funds and is utilized only for maintaining the PM_{2.5} (particulate matter with an aerodynamic diameter of less than 2.5 microns) ambient monitoring network. The construction permit application fee program was enacted by the Legislature during the 2004 session (LB449) and began January 1, 2005. When applying for an air quality construction permit, the owner or operator of the facility must submit an application fee. The fees collected under the construction permit program are used toward paying some of the costs of processing the application.

All time spent by staff on the Title V program is recorded on timesheets as being a program activity. The Title V program includes activities associated with major sources and synthetic-minor sources. Permit, planning and compliance program staff document time by primary activity and by specific source or non-source specific activities. An example of how the Title V program activities are tracked follows:



B. Costs by Primary Activity

The following table details the Title V air program costs for SFY2012 by primary activity:

Table 3: Costs by Primary Activity SFY2012
(July 1, 2011- June 30, 2012)

Resource Tracking Code	Primary Activity	Total
001	Administration and Management	\$ 73,989.83
002	General Office	191,457.44
553	Emission Inventory	44,221.30
554	Ambient Air Monitoring	100,295.75
555	General Air Program	391,066.22
559	Small Business Assistance Program	161,940.21
560	Class I – Major Source Permits	451,781.65
561	Class II – Synthetic Minor Permits	283,671.78
563	State Regulatory & Program Development	95,824.85
564	Federal Policy & Rulemaking Review	45,821.78
565	Air Toxics	14,947.38
566/562/569	Other permitting	3,514.61
567	Compliance Assurance	669,960.10
568	Complaints	821.04
570	Low Emitter Permits	32,624.92
	Other (non specified)	57,549.33
	TOTAL	\$ 2,619,488.19

C. Costs Specific to Major Sources

Table 4: Costs by Major Source SFY2012

(July 1, 2011 - June 30, 2012)

Facility Name	Facility Location	Facility ID	Resource Tracking Code	Total Costs
A-1 Fiberglass	Hastings	723	008366	\$ 4,689.50
ABE Fairmont, LLC	Fairmont	86026	010000	17,825.30
Abengoa – Ravenna ¹	Ravenna	77854	009013	6,013.28
Abengoa Bioenergy Corp	York	59094	008291	44,931.13
ADM Corn Processing	Columbus	39285	008206	35,598.98
ADM Soy Processing	Fremont	9169	008265	6,120.70
AGP Corn Processing Inc	Hastings	62574	008236	21,920.84
AGP Soy Processing	Hastings	72698	008794	12,385.93
Apache Manufacturing	Norfolk	53804	008936	16,600.62
Ash Grove Cement Co	Louisville	4129	004504	12,260.04
Aventine Aurora West LLC ²	Aurora	87072	010151	2,547.13
BD Medical Systems	Columbus	38719	008383	3,952.12
Bertrand Compressor Station	Loomis	88547	010189	14,145.05
Bridgeport Ethanol ³	Bridgeport	87464	010168	32,626.82
Butler County Landfill Inc	David City	62743	008812	1,292.40
Cargill Ag Horizons	Albion	1446	008310	1,155.83
Cargill Inc	Blair	57902	008296	37,250.51
Cargill Lactic Acid	Blair	91164	010294	5,966.08
Cargill Meat Solutions Corp	Schuyler	6272	008524	1,306.92
Cargill Polyols, LLC	Blair	64401	008787	9,631.38
Case New Holland - GI	Grand Island	24371	008395	4,391.79
Chadron Hospital	Chadron	7795	009062	1,429.99
Chief Ethanol Fuels Inc	Grand Island	58049	008315	24,123.08
Clean Harbors Env Services	Kimball	58562	008319	7,281.89

¹ Did not request a variance. Submitted a Class I application on 6/25/12.

² See Nebraska Energy.

³ Became Class I due to the Greenhouse Gas regulation. Received a variance to take advantage of the deferral for CO2 emissions generated from biogenic sources on 5/29/2012.

Facility Name	Facility Location	Facility ID	Resource Tracking Code	Total Costs
Cornhusker Energy ⁴	Lexington	77755	009010	\$ 436.92
Kaneb Pipeline – Columbus	Columbus	39527	008345	444.17
CW Burdick Gen Station	Grand Island	54712	008770	4,331.33
David City Municipal Power	David City	4016	008300	23.62
Douglas County Landfill	Omaha	59516	008244	5,096.02
Douglas Co Recycling Landfill	Bennington	62593	008467	17,976.99
Dutton-Lainson Co	Hastings	125	008374	535.49
E Energy Adams, LLC ⁵	Adams	86373	010021	20,235.81
Earthgrains Baking Company	Bellevue	59056	008471	24,086.29
Earthgrains Baking Company	Hastings	140	008474	89.41
Elkhorn Valley Ethanol, LLC ⁶	Norfolk	84534	009076	6,563.13
Endicott Clay Products Co	Fairbury	27355	008389	5,064.18
Ex Mark Mfg	Beatrice	23151	009016	3,681.30
FLEXcon Company, Inc	Columbus	58429	008223	3,690.73
Fort Calhoun Quarry East ⁷	Fort Calhoun	46813	008781	297.93
G & P Dev, Inc Landfill	Milford	45275	008825	1,839.12
Kaneb Pipeline - Geneva	Geneva	22282	008343	3,852.64
Gordon Memorial Hospital	Gordon	57220	008992	1,057.60
Grand Island Regional Landfill	Shelton	62812	008809	6,586.68
Green Plains – Central City ⁸	Central City	82836	009032	7,838.79
Green Plains – Ord ⁹	Ord	85861	009091	7,006.45
Hasting Utilities- Don Henry	Hastings	58345	008530	94.18

⁴ Became Class I due to the Greenhouse Gas regulation. Received a variance to take advantage of the deferral for CO2 emissions generated from biogenic sources on 8/6/12.

⁵ Became Class I due to changes requested in a previous permitting action in 2010. Received a variance to take advantage of the deferral for CO2 emissions generated from biogenic sources on 6/10/12, but did not become Class II until 9/25/2012 when Class II operating permit was issued.

⁶ Became Class I due to the Greenhouse Gas regulation. Received a variance to take advantage of the deferral for CO2 emissions generated from biogenic sources on 6/11/12.

⁷ Facility became a low emitter on 9/20/12.

⁸ Became a Class I due to the Greenhouse Gas regulation. Would not be able to become Class II. Submitted Class I application on 6/15/12.

⁹ Did not request a variance. Did not want to restrict fuel combustion. Submitted Class I operating permit application on 6/18/12.

Facility Name	Facility Location	Facility ID	Resource Tracking Code	Total Costs
Hastings Utilities – No Denver	Hastings	55721	008339	\$ 888.39
Hastings Utilities – Whelan	Hastings	58048	008338	17,399.08
Husker Ag, LLC ¹⁰	Plainview	73356	008963	12,354.87
Insulfoam, LLC	Mead	43396	008221	2,014.24
International Minerals Tech	Fairbury	27086	008217	10,421.41
J Bar J Landfill	Ogallala	63354	008826	2,905.91
KAAPA Ethanol, LLC ¹¹	Minden	75073	008994	14,388.35
KMIGT Albion Compressor	Albion	1416	008475	1,572.89
KMIGT Big Springs Station	Big Springs	56628	008297	4,481.22
KMIGT Grand Island Station	Grand Island	24673	008479	1,827.64
KMIGT Holdrege Station	Holdrege	38270	008476	2,116.30
KMIGT Huntsman Station #1	Sidney	5456	008392	1,563.96
KMIGT Lexington Station	Lexington	8669	008437	2,050.40
KMIGT North Platte Station	North Platte	58735	008477	3,320.17
Koch Nitrogen	Beatrice	23383	008411	5,352.67
Lon D Wright Power Plant	Fremont	48518	008350	25,314.33
Magellan Pipeline, LP	Omaha	17738	008462	546.12
Magnolia Metal Corp	Auburn	36751	008465	7,989.73
Manheim Omaha ¹²	Omaha	41787	010541	3,930.10
Midwest Renewable Energy ¹³	Sutherland	34651	008854	797.68
NatureWorks, LLC	Blair	69585	008857	12,491.55
Nebraska City Power Plant # 1	Nebraska City	37388	008353	93.14
Nebraska City Power Plant # 3	Nebraska City	64753	009004	2,194.23

¹⁰ Became Class I due to the Greenhouse Gas regulation. Received a variance to take advantage of the deferral for CO2 emissions generated from biogenic sources on 8/6/12. Modifications made to operating permit to remain Class II on 11/1/12.

¹¹ Became Class I due to the Greenhouse Gas regulation. Received a variance to take advantage of the deferral for CO2 emissions generated from biogenic sources on 6/11/12. Modifications made to operating permit to remain Class II on 11/16/12.

¹² Became a low emitter 5/25/12.

¹³ Became Class I due to the Greenhouse Gas regulation. Requested Class II limits and a variance to take advantage of the deferral for CO2 emissions generated from biogenic sources on 5/8/12.

Facility Name	Facility Location	Facility ID	Resource Tracking Code	Total Costs
Nebraska Corn Processing ¹⁴	Cambridge	84221	009075	\$ 6,460.42
Nebraska Energy, LLC ¹⁵	Aurora	59052	008424	2,985.70
NEDAK Ethanol, LLC ¹⁶	Atkinson	86416	010027	1,808.74
NGPL Compressor #106	Beatrice	23034	008435	183.35
NGPL Compressor #196	Syracuse	37669	008470	144.89
NNSWC Landfill	Clarkson	62779	008811	1,529.09
Northern Natural Gas Co	Beatrice	23382	008324	910.24
Northern Natural Gas Co	Palmyra	37514	008325	2,230.22
NPPD Beatrice Power Station	Beatrice	76739	009002	898.80
NPPD Canaday Station	Lexington	8512	008433	2,321.77
NPPD Gerald Gentleman	Sutherland	34385	008396	10,966.18
NPPD Hebron Peaking Unit	Hebron	58034	008708	1,111.58
NPPD McCook Peaking Unit	McCook	39986	008836	1,635.43
Nucor Steel	Norfolk	35677	008267	26,525.05
Nucor Vulcraft Nebraska	Norfolk	35548	008406	4,375.42
Omaha Papillion WWTP	Omaha	57789	008436	5,779.96
OPPD Cass County Station	Murray	70919	008870	3,319.75
OPPD Nebraska City Station	Nebraska City	58343	008355	81,010.14
OPPD Sarpy County Station	Irvington	42638	008241	3,507.41
Orthman Manufacturing Inc	Lexington	8132	008464	9,281.51
Kaneb Pipeline - Osceola	Osceola	58738	008482	81.02
Pioneer Trail Energy, LLC ¹⁷	Wood River	86000	009094	9,911.57
Plainview Municipal Power	Plainview	38561	008757	833.99
Platte Generating Station	Grand Island	58027	008771	12,900.62
Pramac America, LLC	Kearney	2788	008318	3,129.20

¹⁴ Became Class I due to the Greenhouse Gas regulation. Received a variance to take advantage of the deferral for CO2 emissions generated from biogenic sources on 6/28/12.

¹⁵ Did not request a variance. Submitted a Class I application on 3/26/12.

¹⁶ Became Class I due to the Greenhouse Gas regulation. Received a variance to take advantage of the deferral for CO2 emissions generated from biogenic sources on 5/29/12.

¹⁷ Became Class I due to the Greenhouse Gas regulation. Did not request a variance, but instead submitted a Class I operating permit application on June 28, 2012. Facility did not want to limit fuel combustion.

Facility Name	Facility Location	Facility ID	Resource Tracking Code	Total Costs
PURAC Production USA	Blair	64258	008451	\$ 2,171.55
Sarpy County Sanitary Landfill	Springfield	48856	008828	4,406.98
Siouxland Ethanol LLC ¹⁸	Jackson	85434	007303	11,227.65
Standard Ethanol LLC ¹⁹	Madrid	84220	009078	2,908.98
Steele City Compressor Station	Odell	86963	010142	2,982.25
Store Kraft Manufacturing	Beatrice	23048	008361	3,132.34
Trenton Agri Products, LLC ²⁰	Trenton	78323	009015	11,346.54
Tyson Fresh Meats Inc	Dakota City	7339	008376	5,480.03
Tyson Fresh Meats Inc	Lexington	8744	008432	5,318.22
Union Pacific Railroad	North Platte	60192	008481	21,495.94
Valero Renewable Fuels Co ²¹	Albion	85814	009089	15,652.98
Veyance Technologies, Inc.	Norfolk	53867	008391	2,003.25
Wayne Municipal Power Plant	Wayne	47263	008426	1,888.49
Western Sugar Cooperative	Scottsbluff	44141	008225	4,334.08

D. Sector-Specific Costs

The growth Nebraska has seen in the ethanol production sector has leveled off the last few years. Initially activities were associated with pre-construction permitting. Now that plants are built and are operational, the work has shifted to compliance, operational permits, and enforcement activities. Most costs associated with administering the air program for ethanol production facilities are paid with Title V emission fees because facilities are either major or synthetic minor facilities. A small portion of the costs are paid with construction permit application fees. Ethanol plants are considered major or synthetic-minor for purposes of the air permit program. Table 5 details the amount of Title V funds that have been expended toward the ethanol sector since SFY2006:

¹⁸ Became Class I due to the Greenhouse Gas regulation. Received a variance to take advantage of the deferral for CO2 emissions generated from biogenic sources on 5/8/12. Requested changes to operating permit to limit GHG emissions to below Class I levels received 7/23/12.

¹⁹ Became Class I due to the Greenhouse Gas regulation. Received a variance to take advantage of the deferral for CO2 emissions generated from biogenic sources on 5/8/12.

²⁰ Became Class I due to the Greenhouse Gas regulation. Received a variance to take advantage of the deferral for CO2 emissions generated from biogenic sources on 5/8/12.

²¹ Valero requested and was granted a variance on 6/27/12 to take advantage of the deferral, however according to the 9/21/12 permit issued to Valero, the facility is still a major source of GHGs.

Table 5: Title V Air Program Spending on the Ethanol Fuel Sector since SFY06

State Fiscal Year	Ethanol Sector Title V Spending	Percent of Total Title V Expenditures
SFY06	\$318,819	14%
SFY07	\$445,380	22%
SFY08	\$376,546	16%
SFY09	\$440,777	18%
SFY10	\$473,690	18%
SFY11	\$382,870	15%
SFY12	\$377,606	14%

When factored in with grain and other value-added agricultural products, costs associated with the ethanol, accounted for nearly 25 percent of the Title V costs during SFY012. The next closest sector for spending was the utility sector, amounting to a total of 10.4 percent of the total Title V expenditures. This total includes the large units operated by Nebraska Public Power District and Omaha Public Power District, as well as the small municipal units that are on standby when power is not otherwise readily available. The “not specified” sector refers to costs associated with activities that are not associated with an individual source, but benefit a broad category of sources. Examples of activities include: ambient monitoring, rule development, data entry, outreach, and training. Chart 1 illustrates the total Title V air program costs specific to these large sectors:

Chart 1: Title V Costs by Sector (Percentage)

