

Senate Fiscal Agency
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BILL ANALYSIS

Telephone: (517) 373-5383
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Sponsor: Senator Rosemary Bayer
House Committee: Appropriations
Senate Committee: Appropriations**CONTENT**

The bill would amend Part 55 (Air Pollution Control) of the Natural Resources and Environmental Protection Act, the statutory basis for the Department of Environment, Great Lakes, and Energy (EGLE) Air Quality Division's Renewable Operating Permit (ROP) program. The bill would extend the sunset on the ROP program fees from October 1, 2019, to October 1, 2023.

MCL 324.5522

FISCAL IMPACT

Currently, all Category I and II facilities that are not municipal electricity generating facilities pay a base annual facility charge as well as a per-ton charge. Per-ton charges are capped so that after reaching a level of emissions, EGLE cannot bill for further emissions. It should be noted that this is not a cap on emissions; it is a cap on billing. Category III facilities are charged a \$250 facility charge and no per-ton rate. [Table 1](#) below shows the current fee structure for Category I and II facilities that are not municipal electric generating facilities.

Table 1

Current Fees: Category I and II Non-Municipal Electric Generating Facilities				
Facility Type	Facility Charge	Charge Per Ton	Billing Cap (tons)	Maximum Fee
Category I: Nonelectric generating facility	\$5,250	\$51.15	1,250 per pollutant, 4,500 total	\$235,425
Category I: Electric generating facility	\$5,250	\$51.15	1,500 per pollutant, 6,100 total	\$317,265
Category II: Nonelectric generating facility	\$1,795	\$51.15	1,250 per pollutant, 4,500 total*	\$6,910*
Category II: Electric generating facility	\$1,795	\$51.15	1,500 per pollutant, 6,100 total*	\$6,910*

* While there is not an explicit tonnage cap on billings for Category II facilities, it is likely that a Category II facility with an ROP fee higher than \$6,590 (meaning it had emissions higher than 100 tons) would be categorized as a Category I facility.

Under current law, municipal electric generating facilities with emissions over 730 tons have a different fee structure from other regulated facilities. [Table 2](#) shows how those fees exist in current law.

Table 2

Current Fees: Municipal Electric Generating Facilities	
Emission Level	Fee
0 – 730 tons	\$5,250 plus \$51.15 per ton (same as equivalent Category I facility)
731 – 5,000 tons	\$41,830
5,000 and greater	\$5,250 plus \$51.15 per ton (same as equivalent Category I facility)

The bill would have a positive fiscal impact on EGLE and no fiscal impact on local units of government. The bill would prevent EGLE from losing approximately \$9.6 million in fee revenue each year. Revenue from these fees is used to offset the costs related to permit review and other costs incurred by EGLE.

Date Completed: 8-28-19

Fiscal Analyst: Abbey Frazier

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.