

# FOR BOARD ACTION

Agenda Item # 8

Meeting Date:

3/29/11

**SUBJECT:**

2011 Air Emissions Fee for Silver Lake Plant

**PREPARED BY:**

Craig Diekvoss, Environmental & Regulatory Affairs Coordinator

ITEM DESCRIPTION:

Minnesota Rules Parts 7002 and 7005 require facilities with air emission permits to pay an emission-based annual fee to the Minnesota Pollution Control Agency (MPCA) to fund air quality programs. Attached is a table illustrating the breakdown of the funding for the MPCA air program budget.

The 2011 air emission fee for the Silver Lake Plant is \$58,059.29. The fee is based on actual emissions from 2009 and a rate of \$63.84 per ton. Air emissions fees were included in the Year 2011 budget approved by the Board and Council. The 2011 fee rate increased 47% from last year's fee rate; however the total fee is less because less fuel was burned in 2009 compared to previous years, resulting in lower mass emissions.

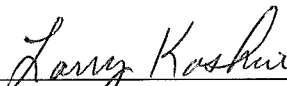
The following is a summary of fees from the past 10 years:

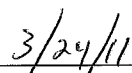
FEE YEAR	EMISSION YEAR	EMISSIONS(TONS)	FEE RATE (\$/ton)	FEE
2011	2009	909.45	\$63.84	\$58,059.29
2010	2008	2,946.02	\$43.33	\$127,651.05
2009	2007	4,503.60	\$36.56	\$164,651.62
2008	2006	3,625.14	\$35.22	\$127,677.43
2007	2005	4,111.19	\$31.76	\$130,571.40
2006	2004	4,632.42	\$29.84	\$138,231.41
2005	2003	4,912.92	\$28.22	\$138,642.60
2004	2002	1,661.13	\$28.41	\$47,192.70
2003	2001	3,884	\$27.61	\$107,247.73
2002	2000	3,657	\$26.51	\$96,954.23

FOR CAPITAL PURCHASES/BIDS/MAJOR PROJECTS: Not Applicable

UTILITY BOARD ACTION REQUESTED:

Management recommends Utility Board approval of the resolution authorizing payment of the Silver Lake Plant 2011 air emission fee in the amount of \$58,059.29.

  
General Manager

  
Date

MPCA Air Program Budget	FY2010-2011	Notes
Fee for service	3.2%	Examples: income agreements, business-funded environmental impact statements.
Federal grants	10.6%	Consistent; on-going; renewed annually.
State Environmental Fund: Annual emission fees and Permit Application Fees.	85.5%	<p>Funds air program operations, including: monitoring, permitting, application review, enforcing rules and permit conditions, preparing regulations, modeling, analysis, preparing inventories and tracking emissions, and other activities.</p> <p>Fees from multiple sources deposited to Environmental Fund are not earmarked specifically for a particular purpose.</p>
Air loan program	0.8%	Established as a revolving account; new loans are awarded based on availability of funds in this special account.



## RESOLUTION

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BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to authorize payment of the 2011 Silver Lake Plant air emission fee in the amount of \$58,059.29 to the Minnesota Pollution Control Agency.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 29<sup>th</sup> day of March, 2011.

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President

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Secretary