

Fiscal Estimate — 2009 Session

<input checked="" type="checkbox"/> Original <input type="checkbox"/> Updated <input type="checkbox"/> Corrected <input type="checkbox"/> Supplemental	LRB Number Bill Number	Amendment Number if Applicable Administrative Rule Number AM-17-10, AM-48-10(E)
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Subject

Order AM-17-10 and emergency order AM-48-10(E), proposed rules affecting NR 400, 405 and 407, pertaining to major source permit thresholds for sources of greenhouse gas emissions

Fiscal Effect

State: No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

- | | |
|---|--|
| <input type="checkbox"/> Increase Existing Appropriation Revenues | <input type="checkbox"/> Increase Existing |
| <input type="checkbox"/> Decrease Existing Appropriation | <input type="checkbox"/> Decrease Existing |

- Increase Costs — May be possible to absorb within agency's budget.
 Yes No
- Decrease Costs

Local: No Local Government Costs

- | | | |
|--|---|--|
| 1. <input type="checkbox"/> Increase Costs
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 3. <input type="checkbox"/> Increase Revenues
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 5. Types of Local Governmental Units Affected:
<input type="checkbox"/> Towns <input type="checkbox"/> Villages <input type="checkbox"/> Cities
<input type="checkbox"/> Counties <input type="checkbox"/> Others _____
<input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts |
| 2. <input type="checkbox"/> Decrease Costs | 4. <input type="checkbox"/> Decrease Revenues | |

Fund Sources Affected

- GPR FED PRO PRS SEG SEG-S

Affected Chapter 20 Appropriations

Assumptions Used in Arriving at Fiscal Estimate

This proposal limits the applicability of Department permitting consistent with the federal permit program, resulting in fewer permit actions. This translates to an expected cost avoidance for both the Department and the private sector over what costs will be imposed if the proposal is not approved. The following information and assumptions were used in estimating the cost avoidance, which are summarized in the table on the next page. (Note that estimates in this analysis are based on EPA proposed rules published in September, 2009. EPA's final rule establishes applicability thresholds much higher than originally proposed, therefore, the cost avoidance numbers go up significantly from what is presented here.)

National average dollar per permit costs and national numbers of permits avoided comes from Tables 3-1 and 3-2 in US EPA's *Regulatory Impact Analysis for the Proposed Greenhouse Gas Tailoring Rule, Final Report, September, 2009*.

Number of permits avoided in Wisconsin was determined by taking a percentage of the national estimate of permits avoided.

Number of industrial sources subject to PSD - Currently the Department issues 8-10% of the nation's PSD permits annually due the historically large manufacturing base in Wisconsin. While there will be some correlation between the industrial base and sources of greenhouse gas emissions it is not expected to be as high as what the Department currently sees under the existing PSD program. For the purposes of this Fiscal Estimate 5% is being applied to the national estimate of 3,299 permits avoided.

Number of commercial and residential sources subject to PSD - Based on an assumption that Wisconsin's number of sources is proportional to percentage of the national population, 2% is being applied to the national estimate of 37,197 permits avoided.

Long-Range Fiscal Implications

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Authorized Signature	Telephone No.	Date (mm/dd/ccyy)
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**Page 2 Assumptions Narrative
 Continued**

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Assumptions Used in Arriving at Fiscal Estimate – Continued

Number of new industrial sources subject to Title V - Currently the Department issues approximately 3% of the national Title V permits. Therefore 3% of the national estimate of 195,895 permits avoided is used in this Fiscal Estimate.

Number of new commercial and residential sources subject to Title V - Based on an assumption that Wisconsin's number of sources is proportional to percentage of the national population, 2% is being applied to the national estimate of 5,956,513 permits avoided.

US EPA notes that significant uncertainties exist in their estimates due to the lack of historical record and permitting experience upon which to base resource needs for including greenhouse gas sources in the PSD and Title V permitting programs. The Department does not have Wisconsin specific information that allows the estimates to be better refined for this Fiscal Estimate.

	Source cost to obtain permit	Agency cost to issue permit	Number of permits	Avoided Cost Private Sector	Avoided Cost Department
New Source Permits					
Source subject to PSD Permitting-Industrial	\$84,530	\$46,350	165	\$13,947,450 (annual)	\$7,647,750 (annual)
Source subject to PSD Permitting-Commercial & Residential	\$16,887	\$4,986	744	\$12,563,928 (annual)	\$3,709,584 (annual)
Title V Permits					
New Industrial	\$46,350	\$19,688	5877	\$272,398,950 (one time)	\$115,706,376 (one time)
New Commercial & Residential	\$4,986	\$1,978	119,130	\$593,982,180 (one time)	\$235,639,140 (one time)

Fiscal Estimate Worksheet — 2009 Session
 Detailed Estimate of Annual Fiscal Effect

- Original Updated
 Corrected Supplemental

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One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):

Annualized Costs:		Annualized Fiscal Impact on State Funds from:	
A. State Costs by Category		Increased Costs	Decreased Costs
State Operations — Salaries and Fringes		\$ 0	\$ - 0
(FTE Position Changes)		(FTE)	(- FTE)
State Operations — Other Costs			-
Local Assistance			-
Aids to Individuals or Organizations			-
Total State Costs by Category		\$	\$ -
B. State Costs by Source of Funds		Increased Costs	Decreased Costs
GPR		\$ 0	\$ - 0
FED			-
PRO/PRS			-
SEG/SEG-S			-
State Revenues	Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)	Increased Revenue	Decreased Revenue
GPR Taxes		\$ 0	\$ - 0
GPR Earned			-
FED			-
PRO/PRS			-
SEG/SEG-S			-
Total State Revenues		\$ 0	\$ - 0

Net Annualized Fiscal Impact

	<u>State</u>	<u>Local</u>
Net Change in Costs	\$ 0	\$ 0
Net Change in Revenues	\$ 0	\$ 0

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