



**To: Gail Good, Ron Binzley, Olivia Salmon
Wisconsin Dept. of Natural Resources**

**From: Bill Skewes, Executive Director
Wisconsin Utilities Association, Inc.**

Re: WUA Comments on the Wisconsin Department of Natural Resources' Fiscal Estimate & Economic Impact Analysis for "Revisions to fees for reviewing air pollution control construction permit applications and exemption determination requests under ch. NR 410 (AM_10-23)"

Date: March 28, 2024

On behalf of Wisconsin's investor-owned gas and electric energy providers, the Wisconsin Utilities Association, Inc. (WUA) is pleased to provide the following brief comments to the Wisconsin Department of Natural Resources (DNR) regarding DNR's Fiscal Estimate and Economic Impact Analysis (EIA) supporting proposed revisions to ch. NR 410, Wis. Adm. Code, regarding fees for reviewing air pollution control construction permit applications and exemption determination requests (AM-10-23). Following are WUA's comments:

- *The EIA has been prepared in support of proposed rule changes that would significantly increase the cost of obtaining an air pollution control construction permit or a determination of an exemption from permitting. The primary driver for these proposed fee changes is to provide revenue to match authorized spending levels for the program. While WUA appreciates the efforts that DNR has made to provide timely and appropriate construction permits and determinations of exemptions for its members and supports the need for adequate resources to maintain the program's capabilities, the increases proposed are alarming and do not appear to be adequately based on projected funding needs of the program as provided in the EIA. While DNR has proposed fee increases that would essentially double the amount of revenue that would be paid by permit applicants, it does not provide expected program costs that may be incurred by the program when permit application volume is not projected to increase, thus it is not determinable whether the full economic impact on the regulated community is necessary.*
- *The EIA notes that the additional revenue is necessary to hire additional staff to complete permit application review, however it does not expect to have a full complement of staff hired until well after the increased fees would go into place. This appears to establish a scenario where a large surplus of revenue could be generated on the back of the permit applicants. WUA requests that DNR anticipate this occurrence and factor this possibility into the EIA.*

- *The EIA explains that the size of the construction program deficit does not offer any alternatives to increased permit fees. DNR has implemented all available efficiencies to decrease the program's expenses and cost saving options and must increase fees to meet the costs of the construction permit program. The proposed rule draft indicates that 14.5 full time employees (FTE) at a cost of \$1.7M are supported by the construction permit program revenue, however only 5 of these FTE are assigned to permit writing. While WUA understands the need to fund management and support staff for the program, WUA asks DNR to consider reallocating some staff to permit writing in the interim to manage permit turnaround times.*
- *The EIA suggests that the proposed fee increases would only marginally increase the direct cost associated with a construction project associated with business development and expansion. While this may be an accurate assumption for a set of large construction projects, it may very well not be true of smaller modifications to processes that occur quite often throughout the regulated community and require changes to permits that have been issued to existing assets. Thus, the economic impact of the fee changes on smaller projects seeking a permit or permit change does not appear to be proportional, especially for small businesses.*
- *The EIA states that DNR does not anticipate that utility rate payers will economically be impacted by the implementation of the proposed rule. While this may be an accurate assumption as it applies to utility rates, virtually all of those impacted by this rule are utility rate paying customers that will be impacted by this rule as a whole through increased permit fee requirements that would be applied to their own projects.*

WUA appreciates the opportunity to comment on the EIA and looks forward to submitting comments on the proposed rule.