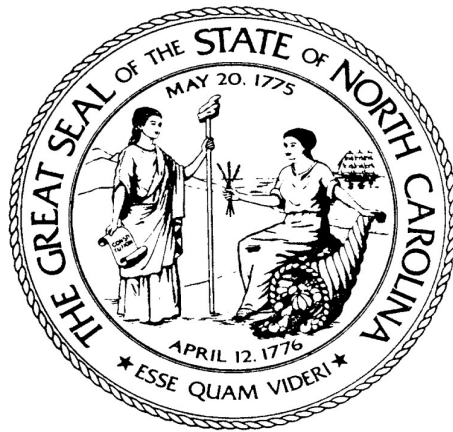


Department of Environmental Quality/Division of Air Quality's
Report to the Joint Legislative Oversight Committee on Agriculture and
Natural and Economic Resources

Title V Air Permit Bonus Pilot Program
Final Report

Submitted by the
North Carolina Department of Environmental Quality
Division of Air Quality
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Date: December 1, 2025

Pursuant to Session Law 2023-134 [and as Amended by Session Law 2024-1]

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Appendix A: Quality Control Measures – Title V Air Permit Bonus Pilot Program

I. Background/Purpose

This Division of Air Quality (DAQ) report was prepared to meet the requirements specified in Session Law 2023-134 (HB 259), related to the Title V Permit Bonus Pilot Program (“bonus program”). Specifically, Subsection 12.17(r) of the Session Law, requires the Department of Environmental Quality (DEQ) to report to the chairs of the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources on the awarding of bonuses under this Section for the previous year (note that the first year’s report was submitted on December 1, 2024). This report shall include, at a minimum, the following items:

- How many bonuses were paid and details regarding each bonus, including amount, associated permit type, and qualifying employee.
- The change in processing time for permit application decisions after the implementation of the bonus program.
- Quality control measures and any findings resulting therefrom in accordance with Subsection 12.17(p).
- A list of contested cases where the Office of Administrative Hearings rendered a final decision or order with findings of fact and conclusion of law, or a judgement on the pleadings or summary judgement in favor of a person aggrieved by the Department, and an estimate of the resulting costs to the State from the previous year.

The following sections of this report will discuss each of these minimum requirements. This final evaluation and comparison to baseline data represents the period from bonus program implementation, January 1, 2024, through the end of the bonus program, June 30, 2025.

II. Organization of the Bonus Program

The bonus program is found in Section 12.17, Subsections (a) through (u), and is organized as follows:

12.17(a)*	Establishment of Pilot Program
12.17(b)*	Definitions
12.17(c)	Fund
12.17(d)*	Permit Bonus Structure – Bonus Amounts/Application Schedules
12.17(e)	Permit Bonus Structure – Applicable Time Periods
12.17(f)	Pending Permits at Time of Implementation
12.17(g)*	Bonus Structure for First Six-Month Period
12.17(h)*	Bonus Structure for Second Six-Month Period
12.17(i)	Bonus Structure for After First Year
12.17(j)	Bonus Structure for 30-day Period Prior to Implementation
12.17(k)	Payment Schedule
12.17(l)	Calculation of Processing Days for Bonuses
12.17(m)	Deduction Applicability
12.17(n)	Payment of Bonuses for Pending Permits
12.17(o)	Bonuses Not Compensation
12.17(p)	Quality Control Measures
12.17(q)	Exemption
12.17(r)	Reporting Requirements
12.17(s)*	Rulemaking
12.17(t)	State Fiscal Recovery Reserve
12.17(u)	Effective Date

**Sections modified pursuant to Session Law 2024-1.*

III. Bonuses Paid

The legislation limits who is eligible to receive bonuses to permit engineers, supervisors, meteorologists, and administrative staff. Each is part of the definition of “qualified employee”, and is defined as “*a full-time equivalent position or part-time position employed on or after the date this section becomes law by the Department or Division that does any of the following for Title V air permits:*

- *processes and reviews Title V air permit applications,*
- *provides administrative support,*
- *supervises the processing and reviewing of Title V air permits, and*
- *reviews the air quality analysis provided with the Title V air permit application.”*

The DAQ's Title V Permitting Section is led by a Section Chief who oversees the work of three branch supervisors and their direct reports: one Environmental Specialist II (who also has administrative duties), three Meteorologists, five Engineer I, 11 Engineer II, and four Engineer III positions. In total, when fully staffed the Section is comprised of 28 members. For the entirety of the bonus program, the Section was not fully staffed. As of November 1, 2025, there are five vacancies among the engineering staff (one Engineer I and four Engineer II). Further, another two Engineer II positions will be vacant prior to December 1, 2025, due to retirement or acceptance of a position outside of the Division.

Pursuant to the legislation, bonus eligible applications are also limited to a subset of the total amount of applications received and processed by the Title V Permitting Section. Specifically, minor modifications, major modifications, new Title V air permits, and Prevention of Significant Deterioration/New Source Review or Nonattainment Area/New Source Review (PSD/NSR or NAA/NSR) applications are those that are bonus eligible. As North Carolina currently does not have any nonattainment areas, only PSD/NSR applications are applicable. It should be noted that the May 15, 2024, amendments to the legislation (S.L. 2024-1) clarified the definition of "major modification" to read "A significant modification, as that term is defined in 15A NCAC 02Q .0516." Further, it stipulated that "*If a qualifying employee is reviewing an air application that requires a construction and operation permit under 15A NCAC 02Q .0500, the qualifying employee shall only be eligible for a bonus for the processing and reviewing of the construction and operation permit...*" This modification changed those eligible applications under the bonus program. The numbers represented in this report assume the modified legislation was in effect from the implementation date of January 1, 2024.

Final bonuses earned are determined by a combination of factors including type of application, complexity of the facility (i.e., number of federal programs applicable to a facility in the issued permit), and the number of processing days, excluding, where appropriate, days on hold waiting for information or during the public and EPA comment periods. Subsection 12.17(m) includes provisions for deductions from bonuses earned in any quarter for application processing times exceeding the number of days specified in Subsections 12.17(f) through (i). Specifically, "*...the Department shall subtract each deduction from the total bonus amount the qualifying employee is eligible to receive for that quarter. If the deduction total is greater than the total bonus amount, then the qualifying employee's total bonus amount for that quarter shall be zero*". Bonuses are paid quarterly. As noted above, the following information pertains to the period from bonus program implementation, January 1, 2024, through the end of the bonus program, June 30, 2025.

Quarter 1 – In total, 18 bonus eligible applications were processed in the first quarter of the bonus program (January 1 through March 31, 2024). Table III.1 below summarizes the bonus payouts for each qualified employee for each eligible application during the quarter (names of specific people earning bonuses and facility names have been removed).

Table III.1 – First Quarter Bonuses

Permit Type	Permit Engineer	Engineer Bonus	Supervisor	Supervisor Bonus	Meteorologist	Meteorologist Bonus	Admin	Admin Bonus
New TV	ENG 11	\$1,750.00	SUP 5	\$500.00	MET 3	\$900.00	ADMIN 1	\$50.00
Minor Modification	ENG 7	\$750.00	SUP 5	\$225.00	NBE	NBE	ADMIN 1	\$25.00
New TV	ENG 11	\$1,750.00	SUP 5	\$500.00	MET 3	\$900.00	ADMIN 1	\$50.00
Major Modification	ENG 10	\$1,000.00	SUP 4	\$300.00	MNS	MNS	ADMIN 1	\$50.00
New TV	ENG 11	\$1,750.00	SUP 2	\$500.00	MET 3	\$900.00	ADMIN 1	\$50.00
Minor Modification	ENG 13	\$500.00	SUP 4	\$150.00	NBE	NBE	ADMIN 1	\$25.00
Minor Modification	ENG 6	\$125.00	SUP 4	\$37.50	NBE	NBE	ADMIN 1	\$12.50
New TV	ENG 11	\$1,750.00	SUP 2	\$500.00	MET 3	\$900.00	ADMIN 1	\$50.00
Minor Modification	ENG 14	\$375.00	SUP 2	\$112.50	NBE	NBE	ADMIN 1	\$12.50
Minor Modification	ENG 6	\$500.00	SUP 4	\$150.00	NBE	NBE	ADMIN 1	\$25.00
Major Modification	ENG 14	\$350.00	SUP 4	\$37.50	MET 2	\$150.00	ADMIN 1	\$25.00
Minor Modification	ENG 1	\$62.50	SUP 2	\$18.75	NBE	NBE	ADMIN 1	\$6.25
New TV	ENG 11	\$500.00	SUP 2	\$100.00	MNS	MNS	ADMIN 1	\$25.00
New TV	ENG 10	\$875.00	SUP 4	\$250.00	MNS	MNS	ADMIN 1	\$25.00
New TV	ENG 3	\$875.00	SUP 5	\$250.00	MNS	MNS	ADMIN 1	\$25.00
New TV	ENG 8	\$1,000.00	SUP 4	\$200.00	MNS	MNS	ADMIN 1	\$50.00
New TV	ENG 3	\$875.00	SUP 5	\$250.00	MNS	MNS	ADMIN 1	\$25.00
New TV	ENG 8	\$1,000.00	SUP 4	\$200.00	MNS	MNS	ADMIN 1	\$50.00

NBE – Application type “Not Bonus Eligible” for Meteorologists

MNS – Air dispersion “Modeling Not Required to be Submitted” with application

Quarter 2 – In total, 23 bonus eligible applications were processed in the second quarter of the bonus program (April 1 through June 30, 2024). Table III.2 below summarizes the bonus payouts for each qualified employee for each eligible application during the quarter (names of specific people earning bonuses and facility names have been removed).

Table III.2 – Second Quarter Bonuses

Permit Type	Permit Engineer	Engineer Bonus	Supervisor	Supervisor Bonus	Meteorologist	Meteorologist Bonus	Admin	Admin Bonus
Minor Modification	ENG 13	\$500.00	SUP 4	\$150.00	NBE	NBE	ADMIN 1	\$25.00

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Minor Modification	ENG 4	\$500.00	SUP 4	\$150.00	NBE	NBE	ADMIN 1	\$25.00
New TV	ENG 4	\$437.50	SUP 4	\$125.00	MNS	NMS	ADMIN 1	\$12.50
New TV	ENG 13	\$437.50	SUP 4	\$125.00	MNS	NMS	ADMIN 1	\$12.50
New TV	ENG 3	\$437.50	SUP 2	\$125.00	MNS	NMS	ADMIN 1	\$12.50
Minor Modification	ENG 11	\$250.00	SUP 2	\$75.00	NBE	NBE	ADMIN 1	\$12.50
Major Modification	ENG 5	\$700.00	SUP 4	\$75.00	MNS	MNS	ADMIN 1	\$50.00
New TV	ENG 3	\$1,250.00	SUP 5	\$400.00	MNS	MNS	ADMIN 1	\$25.00
New TV	ENG 1	\$1,750.00	SUP 2	\$500.00	MET 2	\$900.00	ADMIN 1	\$50.00
Major Modification	ENG 17	\$0.00	SUP 4	\$0.00	MNS	MNS	ADMIN 1	\$0.00
New TV	ENG 7	\$1,750.00	SUP 2	\$500.00	MNS	MNS	ADMIN 1	\$50.00
Minor Modification	ENG 7	\$750.00	SUP 2	\$225.00	NBE	NBE	ADMIN 1	\$25.00
New TV	ENG 4	\$1,000.00	SUP 4	\$200.00	MET 2	\$600.00	ADMIN 1	\$50.00
Major Modification	ENG 10	\$700.00	SUP 4	\$75.00	MNS	MNS	ADMIN 1	\$50.00
Major Modification	ENG 4	\$0.00	SUP 4	\$0.00	MET 2	\$0.00	ADMIN 1	\$0.00
New TV	ENG 3	\$0.00	SUP 2	\$0.00	MNS	NMS	ADMIN 1	\$0.00
Minor Modification	ENG 6	\$500.00	SUP 4	\$150.00	NBE	NBE	ADMIN 1	\$25.00
Minor Modification	ENG 10	\$125.00	SUP 4	\$37.50	NBE	NBE	ADMIN 1	\$6.25
New TV	ENG 1	\$0.00	SUP 5	\$0.00	MNS	MNS	ADMIN 1	\$0.00
New TV	ENG 1	\$0.00	SUP 5	\$0.00	MET 2	\$0.00	ADMIN 1	\$0.00
Minor Modification	ENG 10	\$500.00	SUP 4	\$150.00	NBE	NBE	ADMIN 1	\$25.00
New TV	ENG 4	\$0.00	SUP 4	\$0.00	MET 2	\$0.00	ADMIN 1	\$0.00
Minor Modification	ENG 11	\$0.00	SUP 2	\$0.00	NBE	NBE	ADMIN 1	\$0.00

NBE – Application type “Not Bonus Eligible” for Meteorologists

MNS – Air dispersion “Modeling Not Required to be Submitted” with application

Quarter 3 – In total, 21 bonus eligible applications were processed in the third quarter of the bonus program (July 1 through September 30, 2024). Table III.3 below summarizes the bonus payouts for each qualified employee for each eligible application during the quarter (names of specific people earning bonuses and facility names have been removed).

Table III.3 – Third Quarter Bonuses

Permit Type	Permit Engineer	Engineer Bonus	Supervisor	Supervisor Bonus	Meteorologist	Meteorologist Bonus	Admin	Admin Bonus
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New TV	ENG 3	\$0.00	SUP 2	\$0.00	MNS	MNS	ADMIN 1	\$0.00
New TV	ENG 3	\$0.00	SUP 2	\$0.00	MNS	MNS	ADMIN 1	\$0.00
New TV	ENG 1	\$0.00	SUP 2	\$0.00	MNS	MNS	ADMIN 1	\$0.00
Minor Modification	ENG 4	\$62.50	SUP 4	\$18.75	NBE	NBE	ADMIN 1	\$6.25
New TV	ENG 3	\$1,000.00	SUP 2	\$200.00	MNS	MNS	ADMIN 1	\$50.00
New TV	ENG 3	\$0.00	SUP 2	\$0.00	MNS	MNS	ADMIN 1	\$0.00
New TV	ENG 13	\$437.50	SUP 4	\$125.00	MNS	MNS	ADMIN 1	\$12.50
PSD/NSR	ENG 13	\$875.00	SUP 4	\$250.00	MET 2	\$375.00	ADMIN 1	\$25.00
Minor Modification	ENG 11	\$250.00	SUP 1	\$75.00	NBE	NBE	ADMIN 1	\$12.50
New TV	ENG 6	\$0.00	SUP 4	\$0.00	MNS	MNS	ADMIN 1	\$0.00
Minor Modification	ENG 1	\$125.00	SUP 1	\$37.50	NBE	NBE	ADMIN 1	\$6.25
New TV	ENG 13	\$1,000.00	SUP 4	\$200.00	MET 2	\$600.00	ADMIN 1	\$50.00
Minor Modification	ENG 11	\$500.00	SUP 1	\$150.00	NBE	NBE	ADMIN 1	\$25.00
New TV	ENG 8	\$1,750.00	SUP 4	\$500.00	MET 3	\$900.00	ADMIN 1	\$50.00
Minor Modification	ENG 13	\$750.00	SUP 4	\$225.00	NBE	NBE	ADMIN 1	\$25.00
New TV	ENG 5	\$0.00	SUP 4	\$0.00	MNS	MNS	ADMIN 1	\$0.00
New TV	ENG 3	\$1,750.00	SUP 4	\$500.00	MNS	MNS	ADMIN 1	\$50.00
New TV	ENG 17	\$0.00	SUP 4	\$0.00	MET 4	\$0.00	ADMIN 1	\$0.00
New TV	ENG 5	\$0.00	SUP 4	\$0.00	MNS	MNS	ADMIN 1	\$0.00
Minor Modification	ENG 4	\$750.00	SUP 4	\$225.00	NBE	NBE	ADMIN 1	\$25.00
New TV	ENG 2	\$1,000.00	SUP 4	\$200.00	MNS	MNS	ADMIN 1	\$50.00

NBE – Application type “Not Bonus Eligible” for Meteorologists

MNS – Air dispersion “Modeling Not Required to be Submitted” with application

Quarter 4 – In total, 16 bonus eligible applications were processed in the fourth quarter of the bonus program (October 1 through December 31, 2024). Table III.4 below summarizes the bonus payouts for each qualified employee for each eligible application during the quarter (names of specific people earning bonuses and facility names have been removed).

Table III.4 – Fourth Quarter Bonuses

Permit Type	Permit Engineer	Engineer Bonus	Supervisor	Supervisor Bonus	Meteorologist	Meteorologist Bonus	Admin	Admin Bonus
Minor Modification	ENG 3	\$375	SUP 1	\$112.50	NBE	NA	ADMIN 1	\$12.50
Minor Modification	ENG 17	\$250	SUP 4	\$75	NBE	NA	ADMIN 1	12.50

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New TV	ENG 12	\$0	SUP 4	\$0	MNS	NA	ADMIN 1	\$0
New TV	ENG 3	\$1000	SUP 1	\$200	MNS	NA	ADMIN 1	\$50
New TV	ENG 13	\$437.50	SUP 4	\$125	MNS	NA	ADMIN 1	\$12.50
New TV	ENG 12	\$0	SUP 4	\$0	MNS	NA	ADMIN 1	\$0
New TV	ENG 5	\$0	SUP 4	\$0	MNS	NA	ADMIN 1	\$0
Minor Modification	ENG 1	\$500	SUP 1	\$150	NBE	NA	ADMIN 1	\$25
New TV	ENG 3	\$1750	SUP 1	\$500	MNS	NA	ADMIN 1	\$50
Minor Modification	ENG 14	\$187.50	SUP 1	\$56.25	NBE	NA	ADMIN 1	\$6.25
New TV	ENG 17	\$0	SUP 4	\$0	MNS	NA	ADMIN 1	\$0
New TV	ENG 8	\$1750	SUP 4	\$500	MET 4	\$900	ADMIN 1	\$50
New TV	ENG 9	\$1000	SUP 6	\$200	MNS	NA	ADMIN 1	\$50
New TV	ENG 2	\$1000	SUP 4	\$200	MET 4	\$600	ADMIN 1	\$50
Major Modification	ENG 13	\$1500	SUP 4	\$500	MET 2	\$750	ADMIN 1	\$50
Major Modification	ENG 7	\$750	SUP 1	\$250	MET 3	\$375	ADMIN 1	\$25

NBE – Application type “Not Bonus Eligible” for Meteorologists

MNS – Air dispersion “Modeling Not Required to be Submitted” with application

Quarter 5 – In total, 27 bonus eligible applications were processed in the fifth quarter of the bonus program (January 1 through March 31, 2025). Table III.5 below summarizes the bonus payouts for each qualified employee for each eligible application during the quarter (names of specific people earning bonuses and facility names have been removed).

Table III.5 – Fifth Quarter Bonuses

Permit Type	Permit Engineer	Engineer Bonus	Supervisor	Supervisor Bonus	Meteorologist	Meteorologist Bonus	Admin	Admin Bonus
New TV	ENG 9	\$1000	SUP 4	\$200	MNS	NA	ADMIN 1	\$50
Minor Modification	ENG 2	\$0	SUP 1	\$0	NBE	NA	ADMIN 1	\$0
Major Modification	ENG 13	\$1000	SUP 4	\$300	MNS	NA	ADMIN 1	\$50
Minor Modification	ENG 17	\$500	SUP 4	\$150	NBE	NA	ADMIN 1	\$25
Minor Modification	ENG 3	\$125	SUP 1	\$37.50	NBE	NA	ADMIN 1	\$6.25

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New TV	ENG 12	\$0	SUP 7	\$0	MNS	NA	ADMIN 1	\$0
Minor Modification	ENG 9	\$250	SUP 4	\$75	NBE	NA	ADMIN 1	\$12.50
New TV	ENG 9	\$875	SUP 4	\$250	MNS	NA	ADMIN 1	\$25
PSD/NSR NAA/NSR	ENG 17	\$5000	SUP 4	\$1400	MET 2	\$2000	ADMIN 1	\$100
Minor Modification	ENG 2	\$750	SUP 4	\$225	NBE	NA	ADMIN 1	\$25
New TV	ENG 3	\$1000	SUP 1	\$200	MNS	NA	ADMIN 1	\$50
New TV	ENG 4	\$0 (-\$1750)	SUP 4	\$0 (-\$500)	MNS	NA	ADMIN 1	\$0 (-\$50)
Minor Modification	ENG 10	\$250	SUP 7	\$75	NBE	NA	ADMIN 1	\$25
Minor Modification	ENG 9	\$250	SUP 4	\$75	NBE	NA	ADMIN 1	\$25
New TV	ENG 8	\$1750	SUP 8	\$500	MNS	NA	ADMIN 1	\$50
New TV	ENG 12	\$1000	SUP 4	\$200	MNS	NA	ADMIN 1	\$50
New TV	ENG 13	\$1000	SUP 4	\$200	MNS	NA	ADMIN 1	\$50
Minor Modification	ENG 17	\$500	SUP 4	\$150	NBE	NA	ADMIN 1	\$25
Minor Modification	ENG 3	\$500	SUP 1	\$150	NBE	NA	ADMIN 1	\$25
Minor Modification	ENG 24	\$0	SUP 1	\$0	NBE	NA	ADMIN 1	\$0
Major Modification	ENG 25	\$1000	SUP 4	\$300	MNS	NA	ADMIN 1	\$50
Major Modification	ENG 23	\$1000	SUP 4	\$300	MET 2	\$500	ADMIN 1	\$50
Minor Modification	ENG 4	\$125	SUP 4	\$37.50	NBE	NA	ADMIN 1	\$6.25
New TV	ENG 9	\$2500	SUP 4	\$800	MNS	NA	ADMIN 1	\$50
New TV	ENG 25	\$1000	SUP 4	\$200	MNS	NA	ADMIN 1	\$50
Minor Modification	ENG 5	\$250	SUP 4	\$75	NBE	NA	ADMIN 1	\$12.50
New TV	ENG 4	\$0	SUP 4	\$0	MNS	NA	ADMIN 1	\$0

NBE – Application type “Not Bonus Eligible” for Meteorologists

MNS – Air dispersion “Modeling Not Required to be Submitted” with application

Quarter 6 – In total, 20 bonus eligible applications were processed in the sixth quarter of the bonus program (April 1 through June 30, 2025). Table III.6 below summarizes the bonus payouts for each qualified employee for each eligible application during the quarter (names of specific people earning bonuses and facility names have been removed).

Table III.6 – Sixth Quarter Bonuses

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Permit Type	Permit Engineer	Engineer Bonus	Supervisor	Supervisor Bonus	Meteorologist	Meteorologist Bonus	Admin	Admin Bonus
New TV	ENG 25	\$875	SUP 4	\$250	NA	MNS	ADMIN 1	\$25
Minor Modification	ENG 21	\$125	SUP 4	\$37.50	NA	NBE	ADMIN 1	\$6.25
Minor Modification	ENG 11	\$250	SUP 1	\$75	NA	NBE	ADMIN 1	\$25
Minor Modification	ENG 12	\$500	SUP 4	\$150	NA	NBE	ADMIN 1	\$25
Major Modification	ENG 13	\$375	SUP 4	\$125	NA	MNS	ADMIN 1	\$12.50
New TV	ENG 17	\$0 (-\$1750)	SUP 4	\$0 (-\$500)	NA	MNS	ADMIN 1	\$0 (-\$50)
New TV	ENG 13	\$1750	SUP 1	\$500	NA	MNS	ADMIN 1	\$50
New TV	ENG 2	\$875	SUP 1	\$250	NA	MNS	ADMIN 1	\$25
New TV	ENG 9	\$437.50	SUP 4	\$125	NA	MNS	ADMIN 1	\$12.50
New TV	ENG 13	\$1750	SUP 4	\$500	NA	MNS	ADMIN 1	\$50
Minor Modification	ENG 13	\$125	SUP 4	\$37.50	NA	NBE	ADMIN 1	\$12.50
New TV	ENG 18	\$1000	SUP 1	\$200	NA	MNS	ADMIN 1	\$50
Minor Modification	ENG 21	\$250	SUP 4	\$75	NA	NBE	ADMIN 1	\$12.50
New TV	ENG 8	\$875	SUP 9	\$250	MET 4	\$450	ADMIN 1	\$25
New TV	ENG 25	\$0	SUP 4	\$0	NA	MNS	ADMIN 1	\$0
New TV	ENG 2	\$500	SUP 1	\$100	NA	MNS	ADMIN 1	\$25
Major Modification	ENG 4	\$1000	SUP 4	\$300	NA	MNS	ADMIN 1	\$50
New TV	ENG 2	\$0 (-\$1000)	SUP 1	\$0 (-\$200)	NA	MNS	ADMIN 1	\$0 (-\$50)
Major Modification	ENG 2	\$1500	SUP 4	\$500	NA	MNS	ADMIN 1	\$50
Major Modification	ENG 13	\$1000	SUP 4	\$300	MET 2	\$500	ADMIN 1	\$50

NBE – Application type “Not Bonus Eligible” for Meteorologists

MNS – Air dispersion “Modeling Not Required to be Submitted” with application

Total Bonus Earned by Qualified Employee – Table III.7 below summarizes all bonuses earned for the period from bonus program implementation, January 1, 2024, through the end of the bonus program, June 30, 2025, by qualifying employee (*names of specific people earning bonuses have been removed but are consistent among all tables, e.g. ENG 1*). Total earned under the bonus program to date is indicated and is, as discussed above, assumed to be \$0 when a total quarterly deduction was earned (shown in parenthesis below).

Table III.7 – Total Bonuses by Qualified Employee

Qualified Employee	Q1	Q2	Q3	Q4	Q5	Q6	Total
ENG 1	\$62.50	\$1,750	\$125	\$500			\$2,437.50
ENG 2			\$1,000	\$1,000	\$750	\$1,875	\$4,625
ENG 3	\$1,750	\$1,687.50	\$2,750	\$3,125	\$1,625		\$10,937.50
ENG 4		\$1,937.50	\$812.50		\$0 (-\$1,625)	\$1,000	\$3,750
ENG 5		\$700	\$0	\$0	\$250		\$950
ENG 6	\$625	\$500	\$0				\$1,125
ENG 7	\$750	\$2,500			\$750		\$4,000
ENG 8	\$2,000		\$1,750	\$1,750	\$1,750	\$875	\$8,125
ENG 9				\$1,000	\$4,875	\$437.50	\$6,312.50
ENG 10	\$1,875	\$1,325			\$250		\$3,450
ENG 11	\$7,500	\$250	\$750			\$250	\$8,750
ENG 12				\$0	\$1,000	\$500	\$1,500
ENG 13	\$500	\$937.50	\$3,062.50	\$1,937.50	\$2,000	\$5,000	\$13,437.50
ENG 14	\$725			\$187.50			\$912.50
ENG 15							
ENG 16							
ENG 17		\$0	\$0	\$250	\$6,000	\$0 (-\$1,750)	\$6,250
ENG 18						\$1,000	\$1,000
ENG 19							
ENG 20							
ENG 21						\$375	\$375
ENG 22							
ENG 23					\$1,000		\$1,000
ENG 24					\$0		\$0
ENG 25					\$2,000	\$875	\$2,875
SUP 1			\$262.50	\$1,268.75	\$387.50	\$925	\$2,843.75
SUP 2	\$1,231.25	\$1,425	\$200				\$2,856.25
SUP 3							
SUP 4	\$1,325	\$1,237.50	\$2,243.75	\$1,400	\$4,437.50	\$1,900	\$12,543.75

SUP 5	\$1,725	\$400					\$2,125.00
SUP 6				\$200			\$200
SUP 7					\$75		\$75
SUP 8					\$500		\$500
SUP 9						\$250	\$250
MET 1							
MET 2	\$150	\$1,500	\$975	\$750	\$2,500	\$500	\$6,375
MET 3	\$3,600		\$900	\$375	\$0	\$0	\$4,875
MET 4			\$0	\$1,500	\$0	\$450	\$1,950
Qualified Employee	Q1	Q2	Q3	Q4	Q5	Q6	Total
ADMIN	\$581.25	\$456.25	\$387.50	\$393.75	\$762.50	\$406.25	\$2,987.50
Totals	\$24,400	\$16,606.25	\$15,218.75	\$15,637.50	\$30,912.50	\$16,618.75	\$119,393.75

The total bonuses paid out to all qualified employees under the bonus program is \$119,393.75 (or approximately 14% of the total budgeted amount of \$850,000).

Total Applications Tracked Under the Bonus Program - The following table documents the number of applications tracked under the bonus program by category and when they were received as defined in the legislation. Each permit type is further separated by the total number of applications received for the respective period (“Rec’d”), those determined to be ineligible for bonus (“Not BE”), and how many still remain to be processed (“In Proc”).

Date received	Minor			Major			New			PSD		
	Rec’d	Not BE	In Proc	Rec’d	Not BE	In Proc	Rec’d	Not BE	In Proc	Rec’d	Not BE	In Proc
Section 12.17f (prior to 1/1/24)	7	2	0	27	18	3	80	16	22	2	0	1
Section 12.17j (12/112/31/23)	5	0	0	0	0	0	7	0	3	0	0	0
Section 12.17g (1/1/246/30/24)	14	1	1	13	6	3	20	0	3	3	0	2
Section 12.17h (7/1/2412/31/24)	15	0	0	11	1	5	31	2	12	0	0	0

Section 12.17i (1/1/256/30/25)	10	1	3	12	0	4	22	1	16	1	0	1
Totals	51	4	4	63	25	15	160	19	56	6	0	4

79 applications (bolded), that were deemed eligible for bonus payout are left for continued processing. The following documents how the Title V Pilot Bonus Program will be sunset consistent with Section 12.17 of Session Law 2023-134.

On April 3, 2025, DAQ met with staff from the Legislature’s Government Operations Committee to discuss the program. Part of the discussion focused on how to apply the provisions in Section 12.17(i) to administratively complete Title V air permit applications received between December 31, 2024, and the program’s expiration on June 30, 2025. Following that meeting, DAQ has interpreted the law as follows.

- Section 12.17(a) says the program shall expire on June 30, 2025.
- Section 12.17(a) - Qualifying employees shall receive a bonus after a Title V Air Permit is reviewed and completed in accordance with this section.
- Section 12.17(c) - Fund. – The Permit Bonus Fund (Fund) is established as a nonreverting special fund in the Department.
- Section 12.17(e) - Permit Bonus Structure. – Qualifying employees shall receive a percentage of the maximum bonuses set forth in subsection (d) of this section if the applicable Title V Air Permit is processed within the applicable time period as set forth in subsections (f) through (j) of this section.
- Section 12.17(i) – Bonus Structure for After the First Year. - For administratively complete Title V air permit applications received on or after December 31, 2024, the following schedule applies:
 - Note: it says “*on or after December 31, 2024*”. So, for those received after December 31, 2024, but prior to the expiration of the program (June 30, 2025), the processing schedule in Section 12.17(i) applies for qualifying employees. That processing schedule allows for bonuses to be earned if certain permit application types are processed within 40 and 240 days.
- Section 12.17(k) - Payment Schedule. – The Department *shall* pay bonuses to qualifying employees on a quarterly basis after making deductions for excessive application processing times as described in subsections (f) through (j) of this section, respectively.
 - This includes subsection (i); therefore, payouts are required when the timeline requirements outlined in that subsection are met.

As a result, DAQ will continue to track the remaining bonus eligible applications for payouts until all have a final action and bonus amounts can be calculated.

IV. Comparison to Baseline

The bonus program classifies bonus eligible applications into four categories: minor modifications, major modifications, new Title V air permits, and PSD/NSR applications. The DAQ designates applications based on a combination of schedules and types that account for statutory timelines associated with each application. To determine the change in processing time for permit application decisions after the implementation of the bonus program, baselines for each application category were determined. Tables IV.1 and IV.2 below represent those baselines. Baseline data is pulled from the Division’s Internet-Based Enterprise Application Management (IBEAM) system.

Table IV.1 – Baseline 1 Data

Category	Baseline Period January 1, 2015, through December 31, 2023		
	DAQ App Schedule	Number of Applications	Average No. Processing Days
Minor modification	TV minor	323	95
Major modification	TV-Significant	181	322
	TV-Sign 501(b)(2) Part I	150	75
New TV air permit	TV-Renewal	409	450
	TV-1 st Time	54	582
	TV-Greenfield	38	94
PSD/NSR	PSD/NSR	49	316

This baseline period represents the nine-year period prior to the bonus program implementation date, January 1, 2024. This period was chosen to encompass a larger set of data and to average out the variability in staffing levels, experience, and application numbers.

Table IV.2 – Baseline 2 Data

Category	Baseline Period January 1, 2023, through December 31, 2023		
	DAQ App Schedule	Number of Applications	Average No. Processing Days
Minor modification	TV minor	26	51
Major modification	TV-Significant	3	286
	TV-Sign 501(b)(2) Part I	11	131
New TV air permit	TV-Renewal	48	482
	TV-1 st Time	4	479
	TV-Greenfield	9	146

PSD/NSR	PSD/NSR	1	318
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This baseline period represents the calendar year immediately preceding the bonus program implementation date, January 1, 2024. This period is representative of the actual staffing levels, experience, and application numbers that was present during the bonus program.

Table IV.3 below summarizes the total changes in processing days under the bonus program versus baseline for all applications processed. Negative results indicate those application types where the average actual processing days are greater than the representative baselines (i.e., worse than baseline - indicated in red text). Conversely, reductions of average actual processing days to the baseline are positive (i.e., better than baseline - indicated in green text).

Table IV.3 – Total Changes in Processing Times

Category	Quarters 1 through 6 - January 1, 2024, through June 30, 2025				
	DAQ App Schedule	Number of Applications*	Average No. Processing Days	Δ from Baseline 1 (Days)	Δ from Baseline 2 (Days)
Minor modification	TV minor	44	52	43	-1
Major modification	TV-Significant	4	367	-45	-81
	TV-Sign 501(b)(2) Part I	18	99	-24	32
New TV air permit	TV-Renewal	67	438	12	44
	TV-1 st Time	6	441	141	38
	TV-Greenfield	12	130	-36	16
PSD/NSR	PSD	2	309	7	9

*Number of applications noted may not match those paid out above in Section III of this report because they were either received prior to the implementation and shared with a Supervisor prior to the implementation of the bonus program or were withdrawn making them ineligible for bonus.

As shown above, under the bonus program, changes in processing times have varied. It should be noted for some permit application types; there is a very small sample size during the bonus program making it difficult to draw any solid conclusions. There are also several other important factors that had an impact on the amount of time it took to process permit applications. The following sections provide a discussion of these factors.

1. Vacancy Rates and Loss of Institutional Knowledge.

At no point during the implementation of the bonus program and for the months immediately preceding its implementation, was the Title V Permitting Section fully

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staffed. Table IV.9 below highlights the staffing levels of the Section from bonus program implementation, January 1, 2024, through the end of the bonus program, June 30, 2025, and the representative number of months of education and experience (E&E) of each qualified employee for that month.

Table IV.9 – Position Education and Experience (E&E)

Title	1/24 E&E (Months)	2/24 E&E (Months)	3/24 E&E (Months)	4/24 E&E (Months)	5/24 E&E (Months)	6/24 E&E (Months)	7/24 E&E (Months)	8/24 E&E (Months)	9/24 E&E (Months)	10/24 E&E (Months)	11/24 E&E (Months)	12/24 E&E (Months)	1/25 E&E (Months)	2/25 E&E (Months)	3/25 E&E (Months)	4/25 E&E (Months)	5/25 E&E (Months)	6/25 E&E (Months)
Environmental Program Supervisor II	419	420	421	422	423	424	425	426	427	428	429	430	431	432	433	434	435	436
Meteorologist				80	81	82	83	84	85	86	87	88	89	90	91	92	93	94
Meteorologist	494	495	496	497	498	499	500	501	502	503	504	505	506	507	508	509	510	511
Meteorologist	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168	169	170	171
Environmental Specialist II	458	459	460	461	462	463	464	465	466	467	468	469	470	471	472	473	474	475
							456	457	458	459	460	461	462	463	464	465	466	467
Engineering Supervisor I	498																	
Engineer II				281	282	283	284	285	286	287	288	289	290	291	292	293	294	295
Engineering Supervisor I	494	495	496	497	498	499	500	501	502	503	504	505	506	507	508	509	510	511
			129	130	131	132	133	134	135	136	137	138	139	140	141	142	143	144
Engineer II																		
Engineer II	453	454	455	456	457	458	459	460	461	462	463	464	465	466	467	468	469	
Engineer II/Engineer I																		
Engineer III	229	230	231	232	233	234	235	236	237	238	239	240	241	242	243	244	245	246
Engineer III	450	451	452	453	454	455	530	531	532	533	534	483	484	485	486	487	488	489
Engineer II	524	525	526	527	528	529						535	536	537	538	539	540	541
Engineer II	406	407	408	409	410	411	412	413	414	443	444	445	446	447	448	449	450	87
Engineer II	434	435	436	437	438	439	440	441	442									451
Engineer II	540	541	542	543	544	545	546	547	548	549	550	551	552	553	554	555	556	557
Engineer II				284	285	286	287	288	289	290	291	292	293	294	295	296	297	298
Engineer III	602	603	604	605	606	607	608	609	610	611	612	613	614	615	616	617	618	619
												185	186	187	188	189	190	191
Engineer II/Engineer I	101																	
Engineer III	675	676	677	678	679	680	681	682	683	684						116	117	118
Engineer I						75	76	77	78	79	80	81	82	83	84	85	86	
Engineer II																		
Environmental Program Manager I	440	441	442		443	444	445	446	447	448	449	450	451	452	453	454	455	457
														92	93	94	95	97
Engineer II	431	432	433															
Engineer I	127	128	62	63	64	65	66	67	68	69	114	115	116	117	118	119	120	121
Engineer I	60	61									70	71	72	73	74	75	76	77
Engineer II		102	103	104	105	106	107	108	109	110	111	112	113	114	115			

Of the 28 positions in the Section, 12 were staffed by the same employee for the entire bonus program implementation period January 1, 2024, through June 30, 2025 (indicated

with no highlighting above). The other 16 were either occupied with employees that left the Section or were vacant at the time of implementation of the bonus program and were later filled (indicated with the red and green highlighting above). For each employee, the respective months of credited education and experience are indicated. The same timeperiod represents 504 total calendar months (28 employees x 18 months under bonus program). The monthly vacancies accounted for 106 of those 504 months (~21%).

Consideration should also be given to the loss of institutional knowledge. Table IV.10 below shows the number of vacancies for any given month as well as the total amount of education and experience in the Section across its 28 staff members. The vacancy rate in the Section fluctuated from a high of nine to a low of four while the level of education and experience fluctuated from a high of 7,989 months to a low of 7,118 months; a difference of 871 months (~73 years).

Table IV.10 – Vacancy Rates and Total Section Education and Experience (E&E)

Total E&E	7989	7510	7529	7759	7780	7876	7898	7920	7942	7549	7118	7808	7803	7827	7851	7875	7899	7453
Vacancies	8	9	9	7	7	6	6	6	6	7	6	4	4	4	4	4	4	5

Several vacant Engineer II (EEII) positions in the Section were advertised multiple times in 2024 and 2025. The posting included language about the bonus program; however, most of those postings resulted in no qualified applicants. Due to difficulties in hiring EEII's, the Division and Section have had to pivot and reclass at least two positions from EEII to EEI to get employees hired and trained to do the permitting work. The EEI position classification does not require any prior experience. Those hired into the Section were either seeking first jobs out of college or were transitioning into the air quality field with only translatable skills. Six of the most recent hires (four EEI's and two EEII's) had little to no direct air quality experience. This high vacancy rate within this organizational unit and the loss of institutional knowledge had an impact on the number of permit applications processed within the bonus program's schedules.

2. Non-Bonus Eligible Application Receipt

As discussed above, the bonus program defines four select categories/types of applications as being bonus eligible. These categories/types of applications are only a fraction of the number of applications received during the same period. The Section is equally responsible for processing those applications which are not bonus eligible. Prior to the implementation of the bonus program, the Section had a workload of 215 existing applications. Of those, 101 were not eligible for bonus considerations. For the period from bonus program implementation, January 1, 2024, through the end of the bonus program, June 30, 2025, the Section received another 271 applications. Of those, 127

were not eligible for bonus to a qualified employee. Combined, approximately 47% (228 of 486) of all applications were not eligible for bonus but had to be processed within their statutory timelines. These other priorities had an impact on the number of permit applications processed within the schedules of the bonus program.

3. Design of the Bonus Program

While more closely related to the number of eligible bonuses earned, the design of the bonus program also has an impact on the accumulated processing days of those applications with final actions during the period from bonus program implementation, January 1, 2024, through the end of the bonus program, June 30, 2025. Subsections 12.17(f) through (j) of the bonus program define permit timelines allowed for bonus eligibility. Each of these Subsections look at those applications received in six-month periods under the bonus program, defines the number of processing day targets to receive either 100%, 50%, 25%, or 0% of the eligible bonus for that application type and complexity count, and defines the number of processing day targets for when 100% deductions can be taken away for that payout quarter. With each new six-month period, the bonus program ratchets down the targets, decreasing the number of days a qualified employee would have to meet to earn the same level of bonus. This moving target had an impact on the number of permit applications processed within the schedules of the bonus program as qualifying employees managed their workloads, prioritizing one type over another.

4. Other Factors

Subsection 12.17(l) of the bonus program addresses situations where an application requires either a public hearing or a review by the U.S. Environmental Protection Agency (EPA) before a final decision can be made. In such cases, an additional 45 days may be added to the timelines outlined in Subsections 12.17(g) through (i) when calculating bonus eligibility. If both a public hearing and EPA review are necessary, 75 days may be added. However, this allowance does not apply to applications that were already under review before the bonus program was implemented—even if they required the same public and EPA processes—thus decreasing the potential for a qualifying employee to earn a bonus for that subset of applications.

The bonus program does not account for situations where EPA moves their review from a parallel to a sequential process. Normally, the 30-day public and 45-day EPA review run concurrently. But when public comments require agency responses, the EPA often moves its review until after the revised draft permit and technical documents are available. Since the bonus program does not accommodate this shift, those additional days would

be counted as processing days, thus decreasing the potential for a qualifying employee to earn a bonus for that subset of applications.

Additionally, the bonus program does not consider cases where applications – such as minor modifications of Title V significant Part I applications - would not typically require public process to be performed prior to any final action but where the Director has determined that a public comment period or hearing would be in the best interest of the public. The processing days associated with the noticing, or the comment periods themselves are counted as processing days, thus decreasing the potential for a qualifying employee to earn a bonus for that subset of applications.

Finally, the bonus program does not consider that facilities often have multiple applications in process at any one time that may or may not fall into one or more of the schedules of the bonus program. Typically, a single engineer is responsible for processing those applications for efficiency in permitting. Applicants may also request that one application be prioritized over another. In such cases, the engineer may need to work on a non-bonus-eligible application first, delaying progress on bonus-eligible ones, thus decreasing the potential for a qualifying employee to earn a bonus for that subset of applications.

V. Quality Control Measures

Subsection 12.17(p) requires that the Environmental Management Commission (EMC) develop quality control measures to measure the consistency and quality of Title V Air Permit processing that ensures each application is adequately reviewed and, if denied, that there is good cause to deny the Title V Air Permit. It further requires the Commission to consult with the Department and provide this information to be included in the annual report submitted by the Department to the chairs of the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources pursuant to Subsection 12.17(r).

To comply with this requirement, the EMC in its September 12, 2024, meeting approved a set of quality assurance measures that the Title V Permitting Section will adhere to in processing applications under the bonus program. The approved measures are included as Appendix A in this report.

VI. Discussion of Contested Cases

The bonus program requires that the Department include a list of contested cases where the Office of Administrative Hearings rendered a final decision or order with findings of fact and conclusions of law, or a judgement on the pleadings or summary judgement in favor of a person

aggrieved by the Department, and an estimate of the resulting costs to the State for the previous year pursuant to Subsection 12.17(r). Each Title V permit includes an attachment to the cover letter highlighting the rights of a permit applicant, Permittee, or other people aggrieved to file a contested case on a permit containing the Division's decision on an air permit application. The attachment includes general filing instructions conforming to NCGS 150B-23 to be filed with the Office of Administrative Hearings. Table VI.1 below shows the final Title V permitting actions that have been challenged since 2015 and including any from the period of bonus program implementation, January 1, 2024, through the end of the bonus program, June 30, 2025.

Period	Number of Permit Actions Challenged	Outcome
January 2015-December 2023 Baseline Period	4 out of 2045 total	Voluntarily dismissed by petitioner
January 2024-June 30, 2025 Title V Air Permit Bonus Program Period	0	NA

This same information is presented in the approved QA report discussed in Section V. above and as incorporated in Appendix A of this Document.

Appendix A



ENVIRONMENTAL MANAGEMENT COMMISSION

NORTH CAROLINA
DEPARTMENT OF ENVIRONMENTAL QUALITY

John D. Solomon
EMC Chair

Christopher Duggan
Vice Chair

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Joe Reardon
Robin Smith
Kevin Twomey
Elizabeth Jill Weese
Bill Yarborough

October 23, 2024

Director Abraczinskas:

Pursuant to Session Law 2023-134, Section 12.17(p), the Environmental Management Commission (EMC) approved a report on Quality Control Measures for Title V Air Quality Permits by unanimous vote on September 12, 2024. The final report is attached.

Pursuant to Session Law 2023-134, Section 12.17(r), please include this letter and final report in the Department's report to the chairs of the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources.

Thank you,

John D. Solomon, Chair
North Carolina Environmental Management Commission

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919-707-6021

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Quality Control Measures – Title V Air Permit Bonus Pilot Program

Session Law 2023-134, Sections 12.17(a) through (u), establishes a Title V Air Permit Bonus Pilot Program for qualifying employees who process applications for Title V Air Permits. Qualifying employees within the Division of Air Quality (DAQ) are to receive those bonuses after a Title V Air Permit is reviewed and completed. The pilot program runs from January 1, 2024, through June 30, 2025.

Subsection 12.17(p) requires the Environmental Management Commission develop quality control measures to measure the consistency and quality of Title V Air Permit processing that

ensures each application is adequately reviewed and, if denied, that there is good cause to deny the Title V Air Permit. It further requires the Commission to consult with the Department and provide this information to be included in the annual report submitted by the Department to the chairs of the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources pursuant to Subsection 12.17(r). This report shall be submitted by December 1, 2024.

The Division of Air Quality Title V Permitting Section employs quality control measures aimed at promoting quality and consistency in the Title V permitting process and ensures each application is adequately reviewed, and if denied, there is a good cause to deny the Title V Air Permit. Permit denials are very rare and applicants for Title V permits are unlikely to submit an application that cannot demonstrate compliance with all applicable laws and rules. Rule 15A NCAC 02Q .0518(a) addresses this infrequent occurrence already by giving the Division of Air Quality authority to deny a permit application when necessary to carry out the purposes of G.S. 143, Article 21B, and the federal Clean Air Act. In instances where permit applications are incomplete, the Division does not deny the permit, but instead works with the applicant to obtain the missing application information.

The remainder of this document outlines the quality control measures ensuring each application is adequately reviewed. The following sections focus on application statistics and measurements; resources for staff to ensure consistency; management methods; and United States Environmental Protection Agency (USEPA) Review.

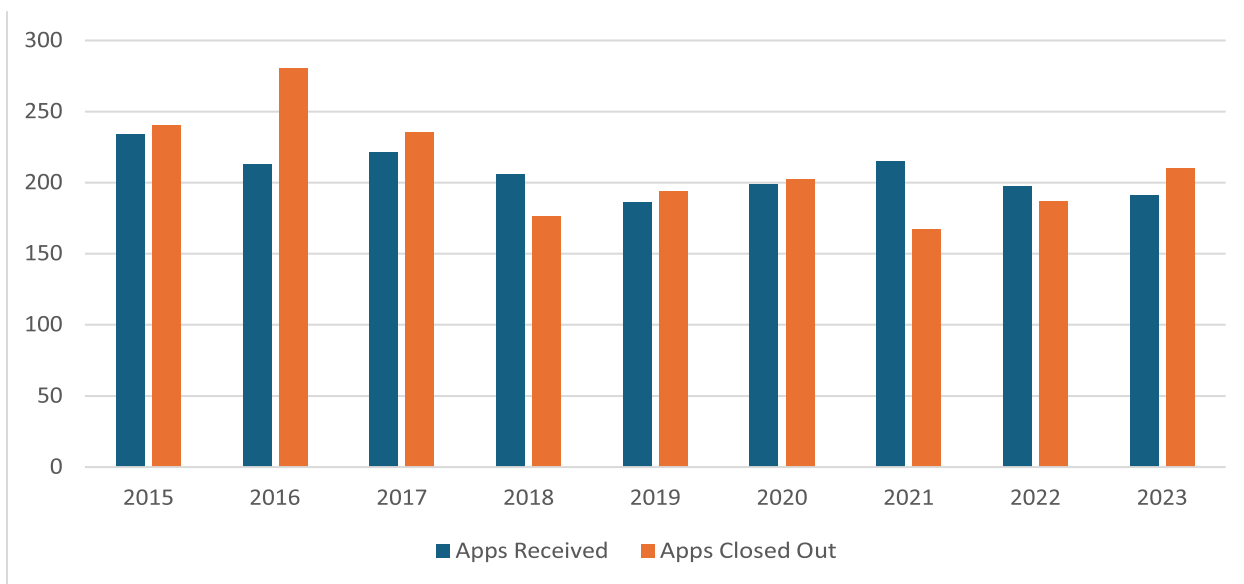
Application Statistics and Measurements

Key Performance Indicators: The number of facilities and 3rd parties that file contested cases challenging the terms of a Title V permit is very low. The number of draft permits that receive no comments is a very high percentage of the total draft permits that go through the public process.

Discussion: The bonus program reporting requirements for the Department include providing a list of contested cases where the Office of Administrative Hearings rendered a final decision or order with findings of fact and conclusions of law, or a judgement on the pleadings or summary judgement in favor of a person aggrieved by the Department, and an estimate of the resulting costs to the State for the previous year pursuant to Subsection 12.17(r). Each Title V permit includes an attachment to the cover letter highlighting the rights of a permit applicant, Permittee, or other persons aggrieved to file a contested case on a permit containing the Division's decision on an air permit application. The attachment includes general filing instructions conforming to NCGS 150B-23 to be filed with the Office of Administrative Hearings. As will be discussed below, this process seldom happens because of the standard operating procedures in place to reduce their occurrence. The table below shows only four of 2,045 (or 0.2%) final Title V permitting actions have been challenged since 2015.

Years	Number of Permit Actions Challenged	Outcome
2015-2024	4	Voluntarily dismissed

The Division of Air Quality’s Title V Permitting Section, when fully staffed, has 28 positions: Section Chief, three branch supervisors, four engineer III, 13 engineer II, three engineer I, one environmental specialist II, and three meteorologists. As of July 9, 2024, the Permitting Section has six vacancies (one engineer I, four engineer II, and one engineer III). This Section is responsible for the state-wide permitting of all Title V permit class facilities. The current population of facilities is 307 and can vary from month to month. The following table indicates historical application receipt and closeout trends. The nine-year annual average of incoming and outgoing applications is 206 and 210, respectively.



As of June 25, 2024, the number of open applications is 189, equating to approximately 14 projects per engineer. Open applications are sorted and tracked in DAQ’s data system (IBEAM) under multiple schedules and types. There are currently 12 categories of applications. Of those 12, only seven are bonus eligible application types. Currently 93 of the 189 applications are bonus eligible. Of those 12 categories, five are required to go through a public notice process and EPA review prior to taking final action. 79 of the 189 applications must go through that process. The public process itself is counted towards the number of overall processing days an application is in house and consists of parallel 30-day public, and 45-day EPA, comment periods. If public comments are received, or if a public hearing is required, the EPA will modify its

parallel comment period to sequential. Their review period will follow the completion of the Division's requirements to summarize and respond to those public comments and make any modifications to the draft permit and technical review because of those comments. The following table is a historical summary of the number of Title V permit applications that have gone through the public comment/public hearing process.

Year	Total Title V Applications going through the public process	Public Notice Process Only (Required by rule)	Straight to Public Hearing Process (Director's discretion)	Public Hearing following Public Notice Period
2015	82	82	0	0
2016	101	101	0	0
2017	80	80	0	1
2018	73	72	1	1
2019	75	73	2	0
2020	74	74	0	0
2021	68	61	7	0
2022	67	66	1	1
2023	77	76	1	1
Total	697	685	12	4

Of the 697 permit applications that went through the public process, only four were determined to need public hearings after the public comment periods concluded, or just 0.57%. Twelve applications were noticed for public hearings based on Director's discretion which weighs, in part, known public interest in the applications/facilities; not because a public hearing was required by rule. During this 9-year period, approximately 10% of those 697 applications that went through the public process received comments from either the public or EPA during public comment period.

Resources for Staff to Ensure Quality and Consistency

The Title V Permitting Section management in recent years has been making permit consistency a top priority. It is recognized that certain work products can be made to read similarly if not the same. As a result, each engineer has available to them the following tools that can be used in the drafting of a permit and its associated technical review, both of which are produced for each permit application processed.

1. Title V Permit Shell – a current version of the blank permit with cover letter, table of contents, list of acronyms. The shell includes all formatting conventions, table locations, and section headers. Use of the shell is required for each iteration of the permit. With each permit modification, the review engineer can begin with the current version of the permit and modify it with any changes associated with the shell promoting consistency.
2. General Conditions Shell – each permit includes a set of general conditions applicable to every Title V facility. When needed, these are updated and placed into service for incorporation into a modified permit at its next touch.
3. Title V Permit Condition Shell – many specific permit conditions for commonly used regulations have been developed and collected. The use of shell language for similar applicable equipment promotes consistency among all Title V permits.
4. Title V Permit Renewal Review Shell – a technical review, or statement of basis, is required to be created with each permitting action. Each Title V permit is also required to go through the renewal process every five years. The associated technical review completed at renewal is a more detailed review (similar to the one done when a Title V facility first gets its initial permit). Therefore, a uniform shell review document has been created for these activities to promote consistency among the review engineers. The shell creates a consistent format to ensure that each permit review follows a similar pattern and includes the same discussion points.

In addition to these template documents, the Division of Air Quality's document storage repositories (IBeam/Laserfiche) store a wide variety of historical documents for each facility. Those documents are also available to the review engineer as resources into past permit applicability determinations, modeling reviews, inspection reports, and prior versions of permits.

Management Methods

The Title V Permitting Section has created a consistent and common procedure for application processing that includes multiple levels of review with the expectation that most discussion points/areas of disagreement/errors can be eliminated prior to permit issuance. The outcome of which is a reduced need to reopen a permit for errors or applicant fillings of contested cases with the Office of Administrative Hearings.

Each permit application is processed the same way according to the following:

1. Incoming applications are reviewed for acceptance and assigned a review engineer for processing.
2. If an application contains a modeling demonstration, that demonstration is routed to the Air Quality Analysis Branch for assignment and processing.
3. Once an application is deemed administratively complete, draft permits and technical reviews are prepared and shared with:
 - a. The engineer's immediate supervisor for review and comment,
 - b. The regional office inspector/permitting coordinator where the facility operates for review and comment,
 - c. The Stationary Source Compliance Branch for review and comment, and finally
 - d. The applicant for review and comment.Typically, the involvement of the applicant in the review of drafts is done once all DAQ internal persons have had the chance to review and comment. In the event of a restricted timeline for issuance, this step can be sped up by sharing drafts with all parties at the same time. It is also important to know that the applicant is involved throughout the drafting phase to respond to questions of the review engineer or provide additional information as necessary to technically review the proposed project.
4. If necessary, the draft permit is sent through the public and EPA comment periods, with an opportunity for a public hearing.

Throughout this process, all comments are collected, reviewed, and modifications to the draft documents are made, if necessary. The quality of the permit and supporting documentation benefit from this consistent approach.

In addition to these processes and tools and as discussed above, vacancies within the Section are present. Filling those positions has been a primary focus of management. In some cases, due to the difficulty in hiring engineers at the EEII level (ones designated with at least 3 years of experience), the Division and Section have converted some of those to an EEI level that does not require the same amount of initial experience. This has been met with some success as new hires have come in. To promote quality and consistency and to aid in the training of those new engineers, it is common for them to be matched up with one or more seasoned staff to review work and to provide an initial point of contact for issues related to review of applications and writing those draft materials.

United States Environmental Protection Agency (USEPA) Review

Federal oversight of Title V programs across the U.S. is in response to the recommendations of a 2002 Office of the Inspector General (OIG) audit submitted to USEPA. At that time, USEPA developed an action plan for performing reviews of Title V programs for each State/Local air

pollution control agency beginning in fiscal year 2003. These follow-up evaluations may target specific areas of the program, follow-up on items from previous evaluations, or overall implementation. DAQ's Title V program has been evaluated four times since the OIG audit (2005, 2010, 2014, and 2021). The 2021 evaluation consisted of a review of staffing resources, internal management support, Title V revenue and expenses, public participation, environmental justice in permitting, permit issuance rates and a detailed review of previously issued permits. The results of the 2021 USEPA evaluation speak to the effectiveness of the quality control measures in place, the quality of the staff, and the quality work products as follows:

1. DAQ has qualified, experienced staff and management resources and those were found to be very knowledgeable, professional, and dedicated to their mission.
2. DAQ was commended for its enhanced public notice permitting process, including tools and processes for meaningful engagement with the public and communities.
3. DAQ has an excellent record of timely issuance of initial permits and significant and minor permit modifications.
4. DAQ has an excellent grasp of the requirement of Title V and is continually working to find impactful ways to increase their staff's ability to meet all the varied program elements of Title V.
5. DAQ permits are generally complete and well written.

Additional USEPA oversight of NC's Title V program takes the form of the following activities designed to monitor the work of the Division.

Permitting Program Oversight Strategy meetings. This program is designed to guide USEPA Region 4's oversight of Clean Air Act (CAA) permitting programs (Title V and New Source Review) to create an effective partnership, provide permitting assistance, and to demonstrate implementation consistent with the requirements of the CAA and applicable regulations. The strategy assesses the current status of the permitting program, addresses best practices and areas for improvement in program implementation and builds on past successes to strengthen permit program implementation. The most recent review was in fall of 2023.

USEPA/DAQ Quarterly calls. The purpose of these calls is to maintain regular communication with the State regarding Title V permit actions and implementation questions. At this time, USEPA would communicate relevant information related to permitting, and to discuss concerns/issues, current and upcoming workload, permit application backlog (as applicable), permits with potential public interest and the most recent permit reviews, as applicable.

Semi-annual Title V Permit Data Report (TOPs). Each January and June, DAQ reports to USEPA Region 4 on the number of Title V facilities, those with active permits, the number of initial (TV 1st time applications), expired permits, outstanding TV permit renewal permits, and number of significant modifications. The purpose of these reports is to monitor the processing of applications in order to react to those that may be approaching statutory limits for processing clocks or to document those that may have exceeded those time limits.

