



## ***Frequently Asked Questions about...***

### **Maryland Department of the Environment's Coal Combustion Byproducts Fee**

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#### **Why does Maryland need a fee on the generation of Coal Combustion Byproducts (CCBs)?**

Legislation passed in the 2009 General Assembly Session authorizes the Maryland Department of the Environment (MDE) to develop a fee to be paid by entities that generate CCBs. The funds will be used to support MDE's CCB regulatory program. On December 1, 2008, MDE adopted new regulations on the disposal of CCBs and their use in mine reclamation. MDE will be proposing new regulations on the beneficial use of CCBs. Those regulations are to be developed and will in turn require the use of staff resources to implement.

#### **Who will pay the CCB fee?**

The legislation requires generators of CCBs to pay a fee. This includes energy companies that burn coal to generate electricity and other entities that own and operate coal-fired boilers. Residential generators are exempt from the fee. The fee would be assessed on a per ton rate of CCBs generated and be based on whether the CCBs are used or disposed.

#### **Will the fee cover all uses and the disposal of CCBs?**

CCBs that are beneficially used or used for coal mine reclamation will be exempt from the fee. Also, for CCBs shipped out of state for use or disposal, the fee may be no more than 50 percent of the fee assessed for in-state disposal activities.

#### **Will citizens have input on the amount of the fee?**

Yes. As part of the regulatory process, MDE will propose regulations to establish the fee, including opportunity for public review and comment. The fee will be adopted in a final regulation only after public comments are received and considered.

#### **How will funds generated from the fee be used?**

MDE needs additional staff with associated equipment and materials to administer the new regulations. The funds would be dedicated solely for the personnel responsible for implementing and administering the regulatory program. This includes issuing permits, and monitoring and inspecting regulated facilities.

The legislation requires MDE to issue an annual report to the General Assembly on the status of the Fund, including revenues and expenditures from the Fund.



**How will the fee be set and at what level of funding?**

MDE would base the fee on the Department's cost to manage the CCB regulatory program. Revenue generated by the fee must be no more than this cost, which is currently estimated at \$750,000 annually.

**How much of a fee will be assessed?**

Approximately 2 million tons of CCBs are generated annually in Maryland. At that rate of generation and considering potential exemptions from the fee, the fee would be less than \$1 per ton of CCBs generated to cover the estimated cost to MDE of \$750,000. Beginning in 2010, to meet the mandates of the Healthy Air Act, scrubber sludge will be generated from facilities that have installed sulfur dioxide controls. The rate of generation of this type of CCB is estimated at 2 million tons annually. With a higher quantity of CCB generation, the fee per ton is expected to adjust.

**Will the fee be adjusted?**

Yes. If the amount of CCBs generated statewide changes and/or the Department's cost to implement the CCB regulatory program changes, the fee would be adjusted.

**How and when will the fee be assessed?**

Entities that generate CCBs are now required to report by March 1 of each year the amount, type, and ultimate use/disposition of CCBs generated the previous calendar year. MDE will use this reporting system to assess and collect the annual fee.

