

State of Alaska FY2012 Governor's Operating Budget

Department of Environmental Conservation Air Quality Results Delivery Unit Budget Summary

Air Quality Results Delivery Unit

Contribution to Department's Mission

To conserve, improve, and protect Alaska's natural resources and environment and control air pollution, in order to enhance the health, safety, and welfare of the people of the state and their overall economic and social well being.

Core Services

- Issue air quality permits to facilities that release potentially harmful pollutants.
- Provide compliance assistance and enforcement (inspections and operating report reviews).
- Community assistance to protect air quality.
- Air quality assessments.
- Comment on federal air quality rulemakings with Alaska's perspective.
- Develop, implement, and enforce plans to bring areas out of compliance with federal air quality standards back into compliance.

Results at a Glance

(Additional performance information is available on the web at <http://omb.alaska.gov/results>.)

END RESULT A: Air quality is protected.

- The number of days the air is unhealthy for sensitive groups remains less than or equal to two weeks a year.

Status of Strategies to Achieve End Result

- 24 air quality permits were issued in a timely manner in FY 2010.
- 60% of stationary source air quality operating permits were current at the end of FY 2010.
- 98% of the vehicles inspected for tailpipe emission compliance, known as the I/M program, were found in compliance in FY 2010, a 6% compliance improvement in five years. The department will conduct the next compliance survey in FY 2011.
- 218 out of 563 stationary sources were known to be in compliance with air quality permits in FY 2010.

Major Activities to Advance Strategies

- | | |
|---|--|
| <ul style="list-style-type: none"> • Establish and operate air monitors to ensure air quality remains healthy for the public. • Develop strategies to address particulate matter pollution problems. • Implement a Quality Management System for permit and compliance services. • Review federal rulemakings, determine impacts on Alaska, and need for comment. • Oversee the implementation of the state's motor vehicle emission inspection and maintenance program. | <ul style="list-style-type: none"> • Conduct compliance inspections and in-office compliance reviews. • Assist the Commissioner and the executive sub-cabinet in developing a climate change strategy. • Improve on-line permitting services and compliance reporting for external users. • Implement regulations that protect air quality and comply with federal and state requirements. |
|---|--|

Key RDU Challenges

In December 2006 the Environmental Protection Agency (EPA) lowered the fine particulate matter standard by almost 50% based on new medical evidence. As a result of this more stringent health standard, a large area in the Fairbanks North Star Borough was designated as non-attainment in 2009. The Air Quality Division is working with the Fairbanks North Star Borough to develop technical and policy information needed to finalize an air quality control plan, which is due in December 2012. In the December 2006 particulate matter rule review, EPA retained the coarse particle standard, PM-10, at the same exposure limit. Air monitoring in rural communities shows that several communities (Bethel, St. Mary's, Kotzebue and nearby villages) do not meet the coarse particle health standard due largely to vehicle generated dust from unpaved roads and trails. The Division continues to work with the Department of

Transportation and Public facilities to develop locally sustainable dust control options. A multi-year effort will be necessary between state, local, and tribal governments to develop a suite of dust control strategies that offer workable solutions to the pollution problem.

EPA recently issued revised National Ambient Air Quality Standards for nitrogen oxide, sulfur dioxide, and lead and is planning to issue revised health standards for ozone, carbon monoxide, and particulate matter during the coming year. These updates to the ambient air quality standards pose challenges to the Air Quality Division as the programs must adjust and update to implement new monitoring and program requirements to ensure compliance. Implementing changes to the permit program takes resources and can impact the processing of permits. The extent of this impact will depend on the specific permit applications received and the available ambient air data and EPA guidance.

The Department will fully implement permitting for major new and modified sources of Greenhouse Gases (GHG) in 2012. Federal rules require this permitting beginning in January 2011, and the Department has adopted regulations to maintain state primacy for this permitting and to prevent delays in construction approval. The amount of work associated with this effort is uncertain because control of GHG is very different from control of traditional pollutants; however, the Department expects only an incremental increase in fee-supported workload.

Significant Changes in Results to be Delivered in FY2012

The Air Quality Division has statewide oversight of the vehicle emission inspection and maintenance (I/M) program and has been working cooperatively with the Municipality of Anchorage to address desires to remove the local I/M program. In May and June of 2010, the Municipality of Anchorage Assembly passed ordinances that would remove the I/M program as a primary control in their local air quality plan and submitted the revised plan to DEC for approval and inclusion in the State Air Quality Plan. The Air Quality Division moved quickly to approve the revisions to the Anchorage Carbon Monoxide Maintenance Plan within the State Implementation Plan and to expeditiously forward the plan to EPA for approval. The revised plan was submitted to EPA on September 29, 2010 and they have 18 months to take action. The Air Quality Division will be working with the Municipality of Anchorage and EPA staff during the federal review of the plan and will implement the program suspension in accordance with state and local rules when federal approval is received. This may occur during FY2012. The Municipality of Anchorage and the Air Quality Division will continue to monitor for carbon monoxide in the community to ensure that the ambient air quality health standard is maintained as required by federal regulations.

EPA finalized several new air quality regulations and standards that will require the department to implement additional permit requirements. This includes the phase in of greenhouse gas permitting for large industrial sources in the state. The Division will also work toward implementation of permit requirements related to the new National Ambient Air Quality Standards for sulfur dioxide and nitrogen dioxide.

Major RDU Accomplishments in 2010

- DEC received EPA approval for an Alaska Air Quality Control Plan revision that allowed for suspension of the Fairbanks local I/M program in 2010. Following EPA approval, DEC and the Fairbanks North Star Borough worked quickly to suspend the program in January 2010. The Air Quality Division and Fairbanks North Star Borough will continue to monitor for carbon monoxide in Fairbanks to ensure that the ambient air quality health standard is maintained as required by federal regulations.
- Air Quality staff assisted the Municipality of Anchorage in submitting a Limited Maintenance Plan to EPA that, once approved, will move Eagle River from a nonattainment designation for PM-10 to attainment status.
- Air Quality staff worked cooperatively with the EPA and the Fairbanks North Star Borough to develop technical information needed for the fine particulate matter State Implementation Plan due in 2012.
- The Air Non-Point and Mobile Source program developed and implemented public education campaigns in rural Alaska and other fine particulate matter problem areas. The campaign was designed to educate the public about the impact of air quality on health, and actions individuals can take to protect their health and reduce air pollution.
- Air Quality staff coordinated with Alaska Energy Authority (AEA) to provide comments to EPA on proposed

engine rules that would implement aspects of the state's transition plan recommendations for rural Alaska. Additional concerns and alternatives to the New Source Performance Standards for diesel engines used for power generation in rural communities were identified.

- The Air Permits program issued three major air construction permits, 56 minor permits, and 15 administrative amendments for new industrial stationary sources or modifications to existing sources. This reflects a general slowdown in new permit applications and the fact that the permitting backlog of prior years has been cleared. As a result, the program used less contractor support in the second half of the fiscal year.
- Air Permits staff investigated 53 citizen air pollution complaints. Staff prepared 82 on-site and 51 off-site full compliance evaluations of permitted stationary sources to help operators comply with air permits. Staff resolved 101 compliance problems without the need for formal enforcement action and prepared two notices-of-violation. The program also issued two settlement agreements and one compliance order by consent.
- The Air Permit program completed its review and adjustment of permit administration and emission user fee rates during FY2010. The revised permit administration and emission fee rates went into effect July 1, 2010.
- The Air Permits Program reduced the operating permit renewal backlog by 58% since 2008, issuing a total of 33 renewals in FY2010, and expects to issue the remaining 53 backlogged renewals in FY2011.
- The Air Quality Division issued air quality advisories during the forest fire season from May through July 2010.
- Air Quality staff provided administrative and technical support to the Governor's Climate Change Executive Sub-cabinet and its advisory workgroups.

Contact Information

Contact: Alice Edwards, Acting Director
Phone: (907) 465-5109
Fax: (907) 465-5129
E-mail: Alice.Edwards@alaska.gov

**Air Quality
RDU Financial Summary by Component**

All dollars shown in thousands

	FY2010 Actuals				FY2011 Management Plan				FY2012 Governor			
	UGF+DGF Funds	Other Funds	Federal Funds	Total Funds	UGF+DGF Funds	Other Funds	Federal Funds	Total Funds	UGF+DGF Funds	Other Funds	Federal Funds	Total Funds
Formula Expenditures None.												
Non-Formula Expenditures Air Quality Director	256.6	0.0	0.0	256.6	261.3	0.0	0.0	261.3	267.7	0.0	0.0	267.7
Air Quality	2,798.4	3,587.1	1,803.0	8,188.5	3,153.5	4,715.9	1,796.1	9,665.5	3,465.1	4,815.5	1,837.4	10,118.0
Totals	3,055.0	3,587.1	1,803.0	8,445.1	3,414.8	4,715.9	1,796.1	9,926.8	3,732.8	4,815.5	1,837.4	10,385.7

Air Quality
Summary of RDU Budget Changes by Component
From FY2011 Management Plan to FY2012 Governor

All dollars shown in thousands

	<u>Unrestricted Gen (UGF)</u>	<u>Designated Gen (DGF)</u>	<u>Other Funds</u>	<u>Federal Funds</u>	<u>Total Funds</u>
FY2011 Management Plan	1,759.6	1,655.2	4,715.9	1,796.1	9,926.8
Adjustments which will continue current level of service:					
-Air Quality Director	6.4	0.0	0.0	0.0	6.4
-Air Quality	51.8	39.8	99.6	31.3	222.5
Proposed budget increases:					
-Air Quality	165.0	55.0	0.0	10.0	230.0
FY2012 Governor	1,982.8	1,750.0	4,815.5	1,837.4	10,385.7