

# **State of Alaska FY2013 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).
- Provide community assistance to protect air quality.
- Conduct 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.**

Target #1: No days when air is unhealthy for sensitive groups.

Status #1: The number of days the air is unhealthy for sensitive groups has increased from being historically less than two weeks a year to less than three weeks a year, primarily a result of wood burning.

**Strategy A1: Timely issue air quality permits.**

Target #1: Issue or deny all construction and minor permits within 130 days after receipt of a completed application.

Status #1: 21 out of 34 air quality permits were issued in a timely manner in FY 2011.

Target #2: 100% of stationary source air quality operating permits are current.

Status #2: 75% of stationary source air quality operating permits were current at the end of FY 2011.

**Strategy A2: Minimize pollution from gasoline vehicles.**

Target #1: For communities that have vehicle Inspection and Maintenance (I/M) programs, 95% of vehicles are found to be in compliance with tailpipe emission requirements.

Status #1: 98% of the vehicles inspected for tailpipe emission compliance, known as the I/M program, were found in compliance in FY 2011, a 6% compliance improvement in six years.

**Strategy A3: Minimize pollution from stationary sources.**

Target #1: All facilities requiring air quality permits are known to be in compliance.

Status #1: 286 out of 565 stationary sources were known to be in compliance with air quality permits in FY 2011.

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

## **Key RDU Challenges**

In December 2006 the Environmental Protection Agency (EPA) revised the fine particulate matter (PM-2.5) National Ambient Air Quality Standard (NAAQS) to a more stringent level based on new medical evidence. As a result, 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.

Challenges also exist in Alaska with the coarse particulate matter (PM-10) NAAQS. 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. Efforts are underway to develop and test a suite of dust control strategies that offer workable solutions to the pollution problem.

In 2010, EPA revised the NAAQS for nitrogen oxide, sulfur dioxide, and lead. EPA is scheduled to propose or finalize revised health standards for particulate matter during 2011 and 2012. These updates to the ambient air quality standards pose challenges to the Air Quality Division as the programs must implement new monitoring and program requirements to ensure compliance. Implementing changes to the permit program requires additional resources and can impact the processing of permits, especially where there is a lack of ambient air data or EPA guidance.

The Department will fully implement air permitting for major new and modified sources of Greenhouse Gases (GHG) in FY2012. Federal rules required this permitting beginning in January 2011 and the Department adopted, and is implementing regulations which allow Alaska to maintain primacy for this permitting and prevent delays in construction approval.

## **Significant Changes in Results to be Delivered in FY2013**

The Division will continue to examine ways it can improve air permitting for oil and gas activities including identification of needed baseline data, analysis of cumulative impacts, making existing data and analysis more accessible to permittees and the public, and ways the Division may have a larger role in Outer Continental Shelf (OCS) permitting.

## **Major RDU Accomplishments in 2011**

- Continued improving customer service to the public and industry through implementation of a number of on-line tools designed to assist the public and regulated community in several ways. These include: the ability to sign up and receive electronic notices of air quality alerts and public notices; the ability to submit air quality complaints throughout the state using an easy internet form; easy access to issued permits and approvals; and an updated air quality alerts page that illustrates where air quality alerts have been issued as well as posts the alerts for easy reference.
- Finalized a rural dust survey, with over 50 different communities responding. Efforts continue to provide educational information to assist communities in making informed decisions on how to address their local dust concerns.
- Issued sub-award grants under the Diesel Emission Reduction Act. The grants were awarded to Alaska Village Electric Cooperative (AVEC) and will assist two rural communities with heat recovery projects that reduce use of expensive diesel fuel.
- Worked cooperatively with the EPA and the Fairbanks North Star Borough to develop technical information needed for the fine particulate matter air quality plan due in December 2012.
- Submitted a required Regional Haze State Implementation Plan to EPA for approval. This plan will assist the State of Alaska to ensure that visibility in Class I Areas (such as Denali National Park) does not degrade.
- 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.

- The Air Permits Program issued one major air construction permit, 42 minor permits, and 6 administrative amendments for new industrial stationary sources or modifications to existing sources.
- Air Permits staff investigated 235 citizen air pollution complaints. Staff prepared 51 on-site and 49 off-site full compliance evaluations of permitted stationary sources to help operators comply with air permits. Staff resolved 170 compliance problems without the need for formal enforcement action and prepared eight notices-of-violation. The Program also issued three settlement agreements and three compliance orders by consent.
- The Air Permits program implemented the adjustments to the permit administration and emission user fee rates that were revised based on a statutorily mandated fee study during 2010.
- The Air Permits Program reduced the operating permit renewal backlog by 4% since FY2010, issuing a total of 24 renewals in FY2011, and expects to issue the remaining 36 backlogged renewals in FY2012.
- The Air Monitoring Program issued four air quality advisories during the forest fire season from May through July 2011, covering 159 hours. Additionally the program supported the Fairbanks North Star Borough staff by issuing 23 air quality advisories for the Fairbanks non-attainment area during the 2010/2011 winter, covering 728 hours.
- The Air Monitoring Program, in cooperation with the Municipality of Anchorage and the Fairbanks North Star Borough, expanded the near real time air monitoring data access available now on the Department web page.

| Contact Information  |
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**Air Quality  
RDU Financial Summary by Component**

*All dollars shown in thousands*

|                                      | FY2011 Actuals   |                |                  |                | FY2012 Management Plan |                |                  |                 | FY2013 Governor  |                |                  |                 |
|--------------------------------------|------------------|----------------|------------------|----------------|------------------------|----------------|------------------|-----------------|------------------|----------------|------------------|-----------------|
|                                      | UGF+DGF<br>Funds | Other<br>Funds | Federal<br>Funds | Total<br>Funds | UGF+DGF<br>Funds       | Other<br>Funds | Federal<br>Funds | Total<br>Funds  | UGF+DGF<br>Funds | Other<br>Funds | Federal<br>Funds | Total<br>Funds  |
| <b>Formula Expenditures</b><br>None. |                  |                |                  |                |                        |                |                  |                 |                  |                |                  |                 |
| <b>Non-Formula Expenditures</b>      |                  |                |                  |                |                        |                |                  |                 |                  |                |                  |                 |
| Air Quality Director                 | 252.8            | 0.0            | 0.0              | 252.8          | 267.7                  | 0.0            | 0.0              | 267.7           | 273.7            | 0.0            | 0.0              | 273.7           |
| Air Quality                          | 3,111.1          | 3,502.8        | 1,666.4          | 8,280.3        | 3,310.1                | 4,815.5        | 1,837.4          | 9,963.0         | 3,399.8          | 4,911.7        | 1,870.5          | 10,182.0        |
| <b>Totals</b>                        | <b>3,363.9</b>   | <b>3,502.8</b> | <b>1,666.4</b>   | <b>8,533.1</b> | <b>3,577.8</b>         | <b>4,815.5</b> | <b>1,837.4</b>   | <b>10,230.7</b> | <b>3,673.5</b>   | <b>4,911.7</b> | <b>1,870.5</b>   | <b>10,455.7</b> |

**Air Quality**  
**Summary of RDU Budget Changes by Component**  
**From FY2012 Management Plan to FY2013 Governor**

*All dollars shown in thousands*

|  | <u>Unrestricted<br/>Gen (UGF)</u> | <u>Designated<br/>Gen (DGF)</u> | <u>Other Funds</u> | <u>Federal<br/>Funds</u> | <u>Total Funds</u> |
|--|-----------------------------------|---------------------------------|--------------------|--------------------------|--------------------|
| <b>FY2012 Management Plan</b>  | 1,827.8                           | 1,750.0                         | 4,815.5            | 1,837.4                  | 10,230.7           |
| <b>Adjustments which will<br/>continue current level of<br/>service:</b> |                                   |                                 |                    |                          |                    |
| -Air Quality Director  | 6.0                               | 0.0                             | 0.0                | 0.0                      | 6.0                |
| -Air Quality   | 48.1                              | 41.6                            | 96.2               | 33.1                     | 219.0              |
| <b>FY2013 Governor</b>   | <b>1,881.9</b>                    | <b>1,791.6</b>                  | <b>4,911.7</b>     | <b>1,870.5</b>           | <b>10,455.7</b>    |