

**Fairbanks PM2.5 Nonattainment Area Voluntary Heating Device Change Out Program**

**FY2021 Request: \$5,000,000**  
**Reference No: 61721**

**AP/AL:** Appropriation

**Project Type:** Life / Health / Safety

**Category:** Health/Human Services

**Location:** Fairbanks (Areawide)

**House District:** Fairbanks Areawide (HD 1-5)

**Impact House District:** Fairbanks Areawide (HD 1-5)

**Contact:** Alice Edwards

**Estimated Project Dates:** 07/01/2020 - 06/30/2025 **Contact Phone:** (907)463-5105

**Brief Summary and Statement of Need:**

This project continues a voluntary heating device change-out program for residents in the Fairbanks North Star Borough's fine particulate matter (PM2.5) serious nonattainment area. The program is aimed at minimizing particulate matter emissions and improving air quality in the Borough. The Borough has the highest recorded levels of PM2.5 in the nation. Federal grant funds have been applied for from EPA through the Targeted Air Shed Program.

| <b>Funding:</b> | <b>FY2021</b>      | <b>FY2022</b> | <b>FY2023</b> | <b>FY2024</b> | <b>FY2025</b> | <b>FY2026</b> | <b>Total</b>       |
|-----------------|--------------------|---------------|---------------|---------------|---------------|---------------|--------------------|
| 1002 Fed Rcpts  | \$5,000,000        |               |               |               |               |               | \$5,000,000        |
| <b>Total:</b>   | <b>\$5,000,000</b> | <b>\$0</b>    | <b>\$0</b>    | <b>\$0</b>    | <b>\$0</b>    | <b>\$0</b>    | <b>\$5,000,000</b> |

|   |   |                                       |   |  |
|---|---|---------------------------------------|---|--|
| <input type="checkbox"/> State Match Required | <input type="checkbox"/> One-Time Project | <input type="checkbox"/> Phased - new | <input type="checkbox"/> Phased - underway  | <input checked="" type="checkbox"/> On-Going |
| 0% = Minimum State Match % Required           |   | <input type="checkbox"/> Amendment    | <input type="checkbox"/> Mental Health Bill |  |

**Operating & Maintenance Costs:**

|                      | <u>Amount</u> | <u>Staff</u> |
|----------------------|---------------|--------------|
| Project Development: | 0             | 0            |
| Ongoing Operating:   | 0             | 0            |
| One-Time Startup:    | 0             | 0            |
| <b>Totals:</b>       | <b>0</b>      | <b>0</b>     |

**Prior Funding History / Additional Information:**

- Sec1 Ch19 SLA2018 P4 L27 SB142 \$4,000,000
- Sec1 Ch1 SLA2017 P4 L15 SB23 \$2,477,250
- Sec36 Ch18 SLA2014 P120 L25 SB119 \$1,000,000
- Sec1 Ch18 SLA2014 P10 L12 SB119 \$1,000,000
- Sec1 Ch17 SLA2012 P23 L32 SB160 \$2,500,000
- Sec1 Ch17 SLA2012 P47 L23 SB160 \$850,000
- Sec1 Ch5 SLA2011 P30 L33 SB46 \$3,000,000

**Project Description/Justification:**

The Fairbanks North Star Borough (FNSB) has the highest recorded levels of fine particulate matter air pollution (PM2.5) in the nation. Wood smoke is the primary source of the PM2.5 pollution, contributing between 60% and 80% of pollution levels. The Environmental Protection Agency (EPA) has reclassified the FNSB from a moderate to a serious nonattainment area. As a result of that reclassification, EPA requires the FNSB and State to implement stricter air pollution controls in the area.

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Changing out older, higher polluting home heating devices is an effective way to reduce air pollution. The voluntary program allows residents with solid fuel (e.g. wood, coal, etc.) burning appliances used as primary, secondary, or emergency backup heating sources to convert to oil, electric, natural gas, or propane heaters. The Department of Environmental Conservation estimates that 476 solid fuel fired heating devices will be replaced, removed, or repaired through the voluntary program. Program participants are projected to qualify for an average reimbursement rate of \$7,255, though due to the range of options, that amount will vary significantly based on the type of conversion.

The Division of Air Quality has successfully applied for this project through a nation-wide competitive grant program called the Targeted Air Shed Grant in the past. No state fund match is required for this federal grant. The Department of Environmental Conservation plans to partner with the Department of Commerce, Community, and Economic Development and the FNSB to administer the change out program as detailed in the grant application.