

**State of Alaska
FY2015 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.

Results

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

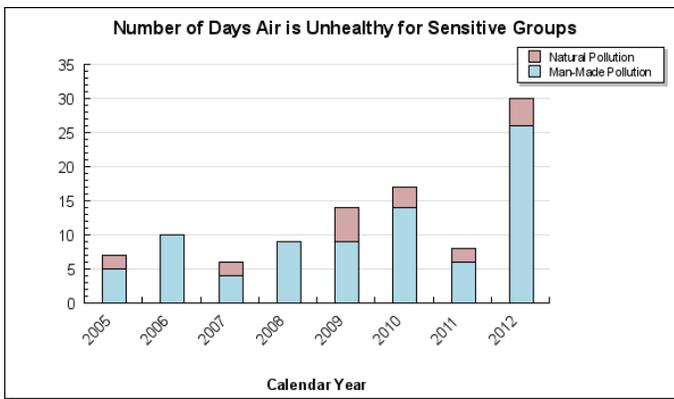
Core Services

- Protect air quality.
- Timely issue air quality permits.
- Conduct air quality assessments and identify air pollution concerns.
- Minimize pollution from stationary sources.

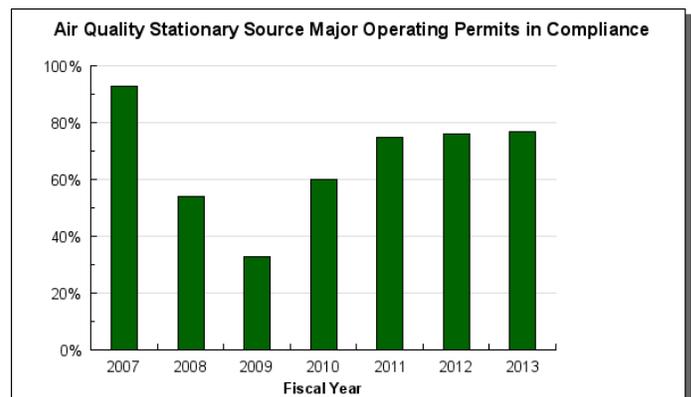
Measures by Core Service

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

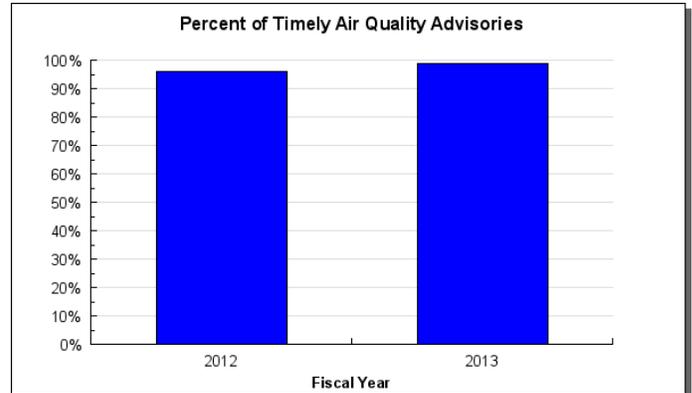
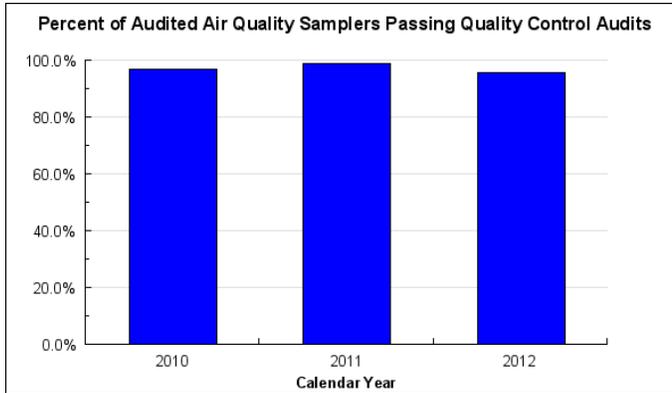
1. Protect air quality.



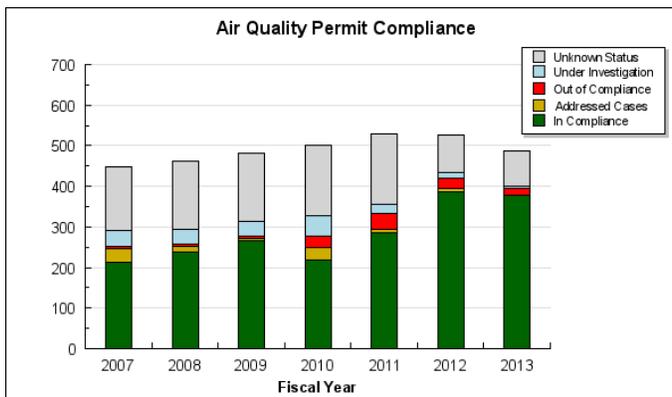
2. Timely issue air quality permits.



3. Conduct air quality assessments and identify air pollution concerns.



4. Minimize pollution from stationary sources.



Major RDU Accomplishments in 2013

- Convened a workgroup consisting of state, local, industry, and environmental organizations to develop recommendations for improved regulation of air quality impacts from drilling operations supporting increased oil development in the state.
- The division released its “Permittee Portal” in July 2013. This tool allows permit holders to electronically submit up to ten different types of reports and eight different types of open burn approval applications. During FY2014 division staff will continue to work with the regulated community on the use of the portal, and will improve customer service to the public and industry through additional improvements to the division’s online tools.
- Completed a sub-award grant with the Alaska Village Electric Cooperative (AVEC) under the Diesel Emission Reduction Act to assist the community of Shungnak with a heat recovery project that will reduce use of expensive diesel fuel.
- Continued to work cooperatively with the Fairbanks North Star Borough and the Environmental Protection Agency (EPA) to develop the federally required fine particulate matter air quality plan to protect residents from the harmful effects of smoke inhalation. Staff improved technical models and developed options to better control smoke from residential heating without unnecessarily limiting affordable home-heating options in the Fairbanks/North Pole area.
- Continued to develop and implement public education campaigns in rural Alaska and other fine particulate matter problem areas, which included a well-received targeted campaign with coloring work books on air quality for rural school children.
- Advised the public when unhealthy air conditions occurred. The division issued four air quality advisories between July and October 2012 for wild land fire smoke, and issued three advisories in May 2013 due to volcanic activity. The division supported the Fairbanks North Star Borough by issuing 68 air quality advisories for the Fairbanks

fine particulate matter non-attainment area during the 2012/2013 winter.

Key RDU Challenges

In December 2009, the Environmental Protection Agency (EPA) designated a large area of the Fairbanks North Star Borough as out of compliance (non-attainment) for the 24-hour fine particulate matter (PM-2.5) National Ambient Air Quality Standard (NAAQS). The Air Quality Division has been working for several years with the Fairbanks North Star Borough to develop technical and policy information needed to finalize an air quality control plan. The development of control measures for the plan has caused controversy in the community, but a plan to achieve compliance with the NAAQS appears viable. During FY2014, the division will seek public comment and feedback on the initial air quality plan for the area, as well as a number of state proposals to help reduce PM-2.5 air pollution.

Air pollution challenges also exist in rural Alaska especially with the coarse particulate matter (PM-10) NAAQS. Air monitoring in rural communities shows that several communities have significant coarse particle (dust) impacts during dry periods, due largely to vehicle generated dust from unpaved roads and trails. The Division continues to work with rural communities and the Department of Transportation and Public Facilities to develop locally sustainable dust control options.

In 2010, the EPA revised the NAAQS for nitrogen oxide, sulfur dioxide (SO₂), and lead, and in 2012 the EPA updated the annual NAAQS for PM-2.5. 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 can impact the processing of permits, especially where there is a lack of ambient air data or EPA guidance. For example, as part of the implementation of the new SO₂ standard, EPA is developing an updated strategy that requires states to identify and address unhealthy levels of SO₂ in areas of the country that are not currently monitored. Accordingly, the strategy presents a process and timetable by which states would characterize air quality in these areas, either through expanded air quality monitoring or air quality modeling techniques. This characterization process will prove challenging to the division as there is often insufficient data available to accurately assess sources within the date and collection of data is often time and resource intensive.

The division continues to seek ways to improve air permitting for oil and gas activities including identification of needed baseline data, analysis of cumulative impacts, and making existing data and analysis more accessible to industry and the public. The division will continue to co-lead the “Workgroup for Global Air Permit Policy Development for Temporary Oil and Gas Rigs” with the Department of Natural Resources. This workgroup will develop recommendations for improving air permit program policies and procedures, and includes representatives from statewide stakeholders and agencies. In addition, the division will be working on regulation revisions pursuant to Administrative Order 266 to ensure that air quality regulations are consistent with Alaska statutes and federal requirements while reducing unnecessary burden on the public and affected industry.

The division will continue efforts to improve fine particulate matter air quality in the Fairbanks North Star Borough (FNSB) non-attainment area. As the division and the FNSB finalize the air quality plan and transmit it to EPA for approval, focus will be turned to ensuring implementation of the commitments outlined in the plan. Given its popular support and air quality benefits, a key component of the air quality plan in FY2015 will be continuing the joint efforts of the state and FNSB to fund the replacement of older solid fuel heating devices with new, cleaner burning devices providing air quality health benefits to the community.

Significant Changes in Results to be Delivered in FY2015

The Division of Air Quality 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, and making existing data and analysis more accessible to permittees and the public.

The Division of Air Quality will continue its on-going efforts to meet the key challenges described above and any new federal requirements during FY2015.

Contact Information

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**Air Quality
RDU Financial Summary by Component**

All dollars shown in thousands

	FY2013 Actuals				FY2014 Management Plan				FY2015 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	271.6	0.0	0.0	271.6	285.5	0.0	0.0	285.5	286.1	0.0	0.0	286.1
Air Quality	3,197.6	3,928.5	2,202.9	9,329.0	3,470.7	4,924.4	1,887.7	10,282.8	3,448.6	5,025.4	1,886.1	10,360.1
Totals	3,469.2	3,928.5	2,202.9	9,600.6	3,756.2	4,924.4	1,887.7	10,568.3	3,734.7	5,025.4	1,886.1	10,646.2

Air Quality
Summary of RDU Budget Changes by Component
From FY2014 Management Plan to FY2015 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>
FY2014 Management Plan	1,947.1	1,809.1	4,924.4	1,887.7	10,568.3
Adjustments which will continue current level of service:					
-Air Quality Director	0.6	0.0	0.0	0.0	0.6
-Air Quality	-19.9	-2.2	-5.0	-1.6	-28.7
Proposed budget increases:					
-Air Quality	0.0	0.0	106.0	0.0	106.0
FY2015 Governor	1,927.8	1,806.9	5,025.4	1,886.1	10,646.2