

**DEPARTMENT OF
ENVIRONMENTAL CONSERVATION**



18 AAC 50

AIR QUALITY CONTROL

Public Comment Draft

February 26, 2009

**Comment Period Ends
April 6, 2009, 5:00 p.m.**

**Sarah Palin
Governor**

**Larry Hartig
Commissioner**

18 AAC 50.410 is amended to read:

18 AAC 50.410. Emission fees. (a) On or after July 1, 2006, for each period from July 1 through the following June 30, the permittee, owner, or operator shall pay to the department an annual emission fee based on the stationary source's assessable emissions for that year for each stationary source that is subject to a permit under this chapter. The emissions fee is assessed per ton for each air pollutant for which projected emissions are 10 tons per year or greater, except as limited under AS 46.14.250(e).

(b) Except as provided in (c), (f), and (g) of this section, emission fees will be assessed as follows:

(1) for July 1, 2006 through June 30, 2007, the emissions fee rate is \$12.52 per ton, and an additional assessment for January 1, 2007 through June 30, 2007, as follows:

(A) for stationary sources required to obtain an operating permit under as 46.14.130(b), an emission fee rate of \$13.06 per ton; of that per ton amount, \$8.04 will be allocated to the clean air protection fund under AS 46.14.260, and \$5.02 will be allocated to the emission control permit receipts account under AS 46.14.265;

(B) for stationary sources not subject to (a) of this paragraph but otherwise required to obtain a permit under AS 46.14.130, the emission fee rate of \$5.02 per ton, which will be allocated to the emissions control permit receipts account under AS 46.14.265;

(2) for July 1, 2007 through June 30, 2008,

(A) the emissions fee rate is \$31.80 per ton for stationary sources required to obtain an operating permit under AS 46.14.130(b); of that per-ton amount, \$26.28 will be allocated to the clean air protection fund under AS 46.14.260, and \$5.52 will be allocated to the emission control permit receipts account under AS 46.14.265; and

(B) for stationary sources not subject to (a) of this paragraph, but otherwise required to obtain a permit under AS 46.14.130, the emission fee rate is \$5.52 per ton, which will be allocated to the emission control permit receipts account under AS 46.14.265;

(3) for July 1, 2008 through June 30, [2009] **2010**,

(A) the emission fee rate is \$33.37 per ton for stationary source required to obtain an operating permit under AS 46.14.130(b); of that per ton amount, \$27.24 will be allocated to the clean air protection fund under AS 46.14.260, and \$6.13 will be allocated to the emission control permit receipts account under AS 46.14.265; and

(B) for stationary sources not subject to (A) of this paragraph but otherwise required to obtain a permit under AS 46.14.130, the emission fee rate is \$6.13

per ton, which will be allocated to the emission control permit receipts account under AS 46.14.265.

(c) The quantity of emissions for which fees will be assessed is the lesser of the stationary source's

(1) potential to emit; or

(2) projected annual rate of emissions, as that term is used in AS 46.14.250, if demonstrated by

(A) an enforceable test method described in 18 AAC 50.220;

(B) material balance calculations;

(C) emission factors from EPA's *Compilation of Air Pollutant Emission Factors, Volume I: Stationary Point and Area Sources*, adopted by reference in 18 AAC 50.035; or

(D) other methods and calculations approved by the department.

(d) For a stationary source that needs an operating permit only because that source contains an emission unit that is subject to a federal emission standard under 42 U.S.C. 7411 or 7412, only emissions from the emission unit subject to that standard are subject to emission fees under (b)(1)(A), (2)(A), AND (3)(A) of this section.

(e) In emissions projections prepared under AS 46.14.250(h)(1)(B) and (c)(2) of this section, the permittee, owner, or operator shall account for emissions from equipment classified under 18 AAC 50.100 that temporarily replaces or substitutes for permanently installed equipment at a stationary source.

(f) For stationary sources required to obtain a minor permit in accordance with 18 AAC 50.502(c) or 18 AAC 50.508(6) but not required to obtain an operating permit under AS 46.14.130(b), the permittee shall pay a one-time emission fee assessed for the state fiscal year following the state fiscal year in which the permit was issued. The emission fee is based on assessable emissions for the state fiscal year being assessed and is billed in July of that year. The entire fee is allocated to the emission control permit receipts account under AS 46.14.265. The emission fee rate is

(1) \$5.52 per ton for the state fiscal year beginning July 1, 2007; and

(2) \$6.13 per ton for July 1, 2008 through June 30, [2009] **2010**.

(g) Notwithstanding (a) - (d) of this section, for the projected annual rate of emissions for a portable oil and gas operation under a general minor permit under 18 AAC 50.560, the emission fee is allocated to the emission control permit receipts account under AS 46.14.265, and the permittee shall pay the emission fee

(1) at the time of application or notification for operation that will occur in the same state fiscal year;

(2) for operation that will occur during more than one state fiscal year under a single application or notification, after billing under 18 AAC 50.420 by the department for any subsequent state fiscal year; and

(3) at the following rates for a single portable oil and gas operation for which the owner or operator submits a new application or notification for operation under the general minor permit on or after December 3, 2005:

(A) for a portable oil and gas operation north of 69 degrees, 30 minutes North latitude,

(i) \$1,808 for July 1, 2006 through December 14, 2006; \$725 for December 14, 2006 through June 30, 2007; \$797 for July 1, 2007 through June 30, 2008; and \$885 for July 1, 2008 through June 30, [2009] **2010**, for operation at one or more ice pads during a winter drilling season;

(ii) \$5,424 for July 1, 2006 through December 14, 2006; \$2,175 for December 14, 2006 through June 30, 2007; \$2,391 for July 1, 2007 through June 30, 2008 and \$2,656 for July 1, 2008 through June 30, [2009] **2010** for operation during a state fiscal year at one or more sites not including a seasonal ice pad;

(B) for a portable oil and gas operation outside the area described in (A) of this paragraph,

(i) \$1,685 for July 1, 2006 through December 14, 2006; \$676 for December 14, 2006 through June 30, 2007; \$743 for July 1, 2007 through June 30, 2008; and \$825 for July 1, 2008 through June 30, [2009] **2010**, for drilling five or fewer wells under the same application or notification during a state fiscal year;

(ii) \$3,370 for July 1, 2006 through December 14, 2006; \$1,351 for December 14, 2006 through June 30, 2007; \$1,486 for July 1, 2007 through June 30, 2008; and \$1,650 for July 1, 2008 through June 30, [2009] **2010**, for drilling no fewer than six and no more than 10 wells under the same application or notification during a state fiscal year;

(iii) \$5,055 for July 1, 2006 through December 14, 2006; \$2,027 for December 14, 2006 through June 30, 2007; \$2,229 for July 1, 2007 through June 30, 2008; and \$2,475 for July 1, 2008 through June 30, [2009] **2010** for drilling 11 or more wells under the same application or notification during a state fiscal year.

(h) For purposes of this section, “state fiscal year” means a year beginning on July 1 of one calendar year and ending on June 30 of the following calendar year. (Eff. 1/18/97, Register 141; am 5/3/2002, Register 162; am 10/16/2003, Register 168; am 10/1/2004, Register 171; am 1/29/2005, Register 173; am 12/3/2005, Register 176; am 12/14/2006, Register 180; am __/__/____, Register __)

Authority: AS 44.46.025 AS 46.14.140 AS 46.14.250
AS 46.03.020