

AIR QUALITY CONTROL: NOTICE OF PROPOSED CHANGES
IN THE REGULATIONS OF THE ALASKA DEPARTMENT OF ENVIRONMENTAL
CONSERVATION

BRIEF DESCRIPTION

The Alaska Department of Environmental Conservation proposes to adopt regulation changes relating to fine particulate matter (PM-2.5) including new and revised air quality controls and a new State Implementation Plan that is comprised of 15 sections covering monitoring, modeling, control measures, emission inventory, attainment demonstration and episode plan, which are intended to meet federal requirements for the serious nonattainment area within the Fairbanks North Star Borough (FNSB).

The Alaska Department of Environmental Conservation (ADEC) proposes to adopt regulation changes in 18 AAC 50 of the Alaska Administrative Code, dealing with air quality and unhealthy concentrations of particulate matter pollution, including the following:

- (1) 18 AAC 50.030 is proposed to be amended to adopt revisions to the *State Air Quality Control Plan*. Those revisions include
 - a. a new section in Volume II, Section III.D.7: Fairbanks North Star Borough (FNSB) Fine Particulate Matter (PM-2.5) Serious State Implementation Plan (SIP);
 - b. amending Volume III Appendix to Volume II Section II to incorporate the proposed regulations after public review and comment. This appendix within the *State Air Quality Control Plan* contains the state's air quality regulations.
- (2) 18 AAC 50.075 is proposed to be amended to add requirements regarding visible emissions.
- (3) 18 AAC 50.076 is proposed to be amended to add requirements for wood sellers.
- (4) 18 AAC 50.077 is proposed to be amended to add requirements for wood-fired heating devices within the serious nonattainment area.
- (5) The proposed addition of 18 AAC 50.078 includes new control measures related to diesel fuel use and smaller commercial sources of PM-2.5 within the serious nonattainment area.
- (6) 18 AAC 50.079 is proposed to be amended to add requirements for coal-fired heating devices.
- (7) 18 AAC 50.990 is proposed to be amended to add definitions.

The Department will be issuing a Supplemental Public Notice to publish an additional technical appendix document for the Emission Inventory Section and technical modeling results that are currently underway. The results will be incorporated as updates to 5 figures in Section 6; 1 table and associated discussion in Section 10; and 2 tables and associated discussion in Section 14 of the Serious SIP. All areas that will be updated are currently highlighted in yellow. The supplemental notice is not anticipated to change the hearing schedule or comment period end date contained in this notice.

Posting

The above list of proposed changes to the regulations only provides a summary of their subject matter. Copies of the proposed regulation changes and SIP amendments are available at <http://dec.alaska.gov/air/anpms/communities/fbks-pm2-5-proposed-regulations/>. Materials not feasible to post, such as those that are copyrighted, may be viewed at the ADEC offices at the following locations: ADEC Anchorage Building, 555 Cordova St., Anchorage; ADEC Fairbanks Office Building, 610 University Avenue, Fairbanks; and ADEC Juneau Office Building, 410 Willoughby Ave., Second Floor. To arrange to view the materials, contact Adeyemi Alimi at 907-269-6953 or Adeyemi.alimi@alaska.gov

Questions

You may submit written questions relevant to the proposed action to ADEC using the electronic question form link found on <http://dec.alaska.gov/air/anpms/communities/fbks-pm2-5-proposed-regulations/>; by electronic mail to dec.air.comment@alaska.gov; or by mail to Adeyemi Alimi, Division of Air Quality, 555 Cordova St. Anchorage, Alaska 99501. Questions may also be submitted verbally in testimony at one of the public hearings. The Department will aggregate its response to substantially similar questions and make the questions and responses available on <http://dec.alaska.gov/air/anpms/communities/fbks-pm2-5-questions-answers/>. The questions must be received at least 10 days before the end of the public comment period, Friday, July 26, 2019. The Department may, but is not required to, answer written questions received after Tuesday, July 16, 2019, the 10-day cut-off date.

Comments

You may comment on the proposed regulation changes, including the potential costs to private persons of complying with the proposed changes, by submitting written comments to Cindy Heil, Division of Air Quality, ADEC, 555 Cordova St, Anchorage AK 99501; or by facsimile at (907) 269-7508; or by e-mail to dec.air.comment@alaska.gov; or by the electronic comment form at <https://dec.alaska.gov/Applications/Air/airtoolsweb/FormalComments>. The comments must be received not later than 5:00 p.m. on Friday, July 26, 2019. Comments received after this date will not be considered in final action on these rules and the air quality plan.

Open House

The Department will hold a public presentation and open house regarding the proposed regulation changes. The public presentation and open house will be held in Fairbanks on Tuesday, June 25, 2019, from 6:00 p.m. – 8:00 p.m. at the Westmark Fairbanks Hotel & Conference Center, 813 Noble Street, Fairbanks, Alaska. The Department will give a short presentation at the beginning of the open house. Formal oral testimony will not be taken at the open house, but written comments and questions may be submitted to Department staff.

Hearings

The Department will also hold public hearings on this proposal. Fairbanks public hearings will be held as follows: on Wednesday, June 26, 2019, from 12:00 p.m. – 1:30 p.m. at the Fairbanks North Star Borough, 907 Terminal St., Assembly Chambers; and on June 26, 2019, from 5:00 p.m. – 8:00 p.m. at the Fairbanks North Star Borough, 907 Terminal St., Assembly Chambers. Formal oral or written comments also may be submitted at the hearings. The hearings will be

extended to accommodate those present before 1:30 p.m. or 8:00 p.m., respectively, who did not have an opportunity to comment prior to that time.

If you are a person with a disability who needs a special accommodation in order to participate in this process, please contact Theresa Zimmerman at (907) 465-6171 or theresa.zimmerman@alaska.gov not later than June 18, 2019, to ensure that any necessary accommodations can be provided.

After the public comment period ends, ADEC will either adopt the proposed regulation changes or other provisions dealing with the same subject, without further notice, or decide to take no action. The language of the final regulation may be different from that of the proposed regulation. **YOU SHOULD COMMENT DURING THE TIME ALLOWED IF YOUR INTERESTS COULD BE AFFECTED.** Written comments received are public records and are subject to public inspection.

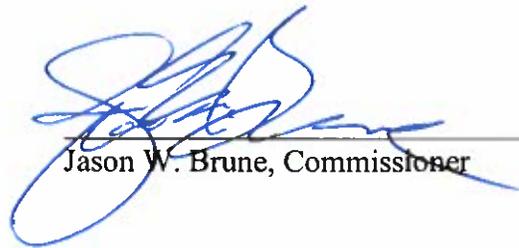
Statutory authority: AS 46.03.020; AS 46.14.030

Statutes being implemented, interpreted, or made specific: AS 46.03.010; AS 46.14.020; AS 46.14.030; AS 46.14.400

Fiscal information: The proposed regulation changes are not expected to require an increased appropriation.

ADEC, Division of Air Quality keeps a list of individuals and organizations interested in its regulations. Those on the list will automatically be sent a copy of all of the Division of Air Quality notices of proposed regulation changes. To be added to or removed from the list, you may sign up on the Air Online Services (AOS) page at: <http://dec.alaska.gov/Applications/Air/airtoolsweb/Home/Index/>. A myAlaska account is required to use the AOS system.

Date: May 10, 2019



Jason W. Brune, Commissioner

ADDITIONAL REGULATION NOTICE INFORMATION

(AS 44.62.190(d))

1. Adopting agency: Department of Environmental Conservation
2. General subject of regulation: 18 AAC 50 is being amended to: 1) adopt regulations regarding air quality statewide and in the FNSB PM-2.5 Nonattainment Area; 2) adopt various federally required amendments to the State Air Quality Plan; and 3) add new definitions.
3. Citation of regulation (may be grouped): 18 AAC 50.030, 18 AAC 50.075, 18 AAC 50.076, 18 AAC 50.077, 18 AAC 50.078, 18 AAC 50.079, 18 AAC 50.990
4. Department of Law file number, if any: JU2018200888
5. Reason for the proposed action:
 - (X) Compliance with federal law or action: The proposed regulations are intended to meet the requirements of Section 110 (Title 42 U.S.C. Chapter 85 §7410), Sections 171-179 (Title 42, U.S.C. Chapter 85 §7501-7509), and Section 189 (Title 42 U.S.C. Chapter 85 §7513) of the Clean Air Act and, once adopted, will be submitted to the U.S. Environmental Protection Agency for approval.
 - () Compliance with new or changed state statute
 - () Compliance with federal or state court decision
 - () Development of program standards
 - () Other (identify)
6. Appropriation/Allocation: Air Quality/Non-Point and Mobile Sources
7. Estimated annual cost to comply with the proposed action to: There are both costs and benefits associated with the proposed measures, to the Fairbanks North Star Borough (FNSB) PM2.5 Nonattainment Area, that will stem from this updated State Air Quality Control Plan. Where it is possible the major potential compliance cost impacts are described below in plain language for the public. The Alaska Department of Environmental Conservation (ADEC), Air Quality Division has opted for pursuing the most flexible approach by including multiple Best Available Control Measures to allow for further discussion and evaluation, there is a possibility that some measures may be proven technologically or economically infeasible through the evaluation process. However, through provision of a suite of measures, there is a greater likelihood that the most efficient and effective measures can be pursued thereby lowering the overall regulatory costs to address the PM2.5 issue. It should be noted that there is a real direct cost if the state does not take action. This cost is estimated to be between \$91-\$197 million dollars in sanctioned federal highway funds and costs associated with a Federal Implementation Plan. Should there be concern from private persons about the potential compliance costs of these proposed changes the ADEC encourages the submission of public comments which reference these costs and provide specific cost information. We assure any such comments are evaluated and considered.

A private person: Residents and businesses that use high sulfur diesel #2 for space heating will experience an increase in fuel costs, as they will be required to shift to diesel #1. This increased expense is expected to be approximately \$0.07 per gallon of diesel #2 consumed, this results in an annual increase of \$68.31 per year for a typical household. There are potential one-time costs regarding the removal of heating devices, including removal of non-EPA certified heating devices that are older than 25 years, as well as coal-fired devices, which must be removed by December 31, 2024. The associated costs are estimated to be between \$3,500 and \$7,800 per unit replaced, but can vary dependent on the type of system being removed. It is likely that many residents may be able to be reimbursed for a wood stove change out or the conversion to natural gas heating with grant funding that has been obtained for conversions. Some residents may experience a net cost savings through participating in the change out program, particularly ones with older inefficient heating devices. It is estimated that the lower curtailment thresholds measure will result in 7 to 12 additional Stage 2 or 10 to 12 additional stage one days. The resulting cost to a household that is not eligible for a stage waiver is \$4.90-\$5.65 per day to use heating oil/gas rather than wood or coal on these days. The approximate annual cost of this measure to a typical household is \$34.30 to \$67.80 per year. There is a potential for additional compliance costs for wood selling and coffee roaster businesses, as they will be required to follow specific practices, which may involve purchasing new capital and or applying more time intensive production practices. These costs will vary business to business dependent on the size of the business and current production practices.

Another state agency: No identified additional compliance costs to other state agencies. State agencies could have increased costs due to switching to Diesel #1 fuel from Diesel #2 fuel for diesel-fires space heating.

A municipality: The proposed Best Available Control Measures relating to device removal identified above will likely result in an increase in the number of applications and the participation rate of local residents in the wood stove change out program, the Air Quality Improvement Program (AQIP), which is operated by the FNSB. Municipal government agencies could have increased costs due to switching to Diesel #1 fuel from Diesel #2 fuel for diesel-fires space heating.

8. Cost of implementation to the state agency and available funding (in thousands of dollars):

	Initial Year FY20	Subsequent Years
Operating Cost	\$0	\$0
Capital Cost	\$0	\$0
1002 Federal receipts	\$0	\$0

1003 General fund match	\$0	\$0
1004 General fund	\$0	\$0
1005 General fund/ program	\$0	\$0
Other (identify)	\$0	\$0

9. The name of the contact person for the regulation:

Name: Cindy Heil
 Title: Program Manager
 Address: 555 Cordova St.
 Anchorage, AK 99501
 Telephone: 907-269-7579
 E-mail address: cindy.heil@alaska.gov

10. The origin of the proposed action:

- Staff of state agency
- Federal government
- General public
- Petition for regulation change
- Other (identify): _____

11. Date: May 10, 2019 Prepared by: _____/s/_____.

Name: Rebecca Tyson Smith
 Title: Environmental Program Specialist
 Telephone: 907-465-5121