



Department of Environmental Conservation

Division of Spill Prevention & Response (SPAR)

Denise Koch, Director



SPAR's Mission

Prevent spills of oil and hazardous substances, prepare for when a spill occurs, and respond rapidly to protect human health and the environment.





Core Services

- Protect public health and the environment:
 - ensure that producers, transporters, and distributors prevent spills of crude oil and refined oil products and are fully prepared to clean up spills
 - respond to spills of petroleum and hazardous substances
 - identify, oversee, and conduct the cleanup of contaminated sites in Alaska, returning properties to safe and productive re-use



Statutory Authorities

It is the intent of the Legislature and declared to be the public policy of the State that funds for the abatement of a release of oil or a hazardous substance will always be available (A.S. 46.08.030)





Statutory Authorities

- ▶ Funds from the **Response Account** are used to respond to spills or threats of spills that pose an imminent and substantial threat to Alaska (AS 46.08.040(1)(A))
- ▶ Funds from the **Prevention Account** are used to:
 - ▶ Respond, contain, cleanup, and monitor spills (AS 46.08.040(2)(A))
 - ▶ Address existing contamination (AS 46.08.040(2)(K))
 - ▶ Pay for the operating costs of the Division (AS 46.08.040(2)(B))



Prevention Account

- ▶ Prevention Account is funded by:
 - ▶ \$0.04 per barrel of crude oil produced
 - ▶ \$0.0095 per gallon of refined fuel
- ▶ Balance has been decreasing for many years
- ▶ Refined Fuel Surcharge was implemented in 2015 to address the decreasing balance
- ▶ The Surcharge brings in \$1 million less per year than anticipated, in part due to exemptions for fuel purchases by municipalities and electric cooperatives



Prevention Account Revenue Shortfall

- ▶ Prevention Account annual expenditures exceed the annual revenue
- ▶ Prevention Account projected to run a deficit as early as FY2024
- ▶ Reduce \$1,019.1 and 7 positions in FY21 budget
 - ▶ -\$643.5 Prevention Account
 - ▶ -\$375.6 Federal Receipts

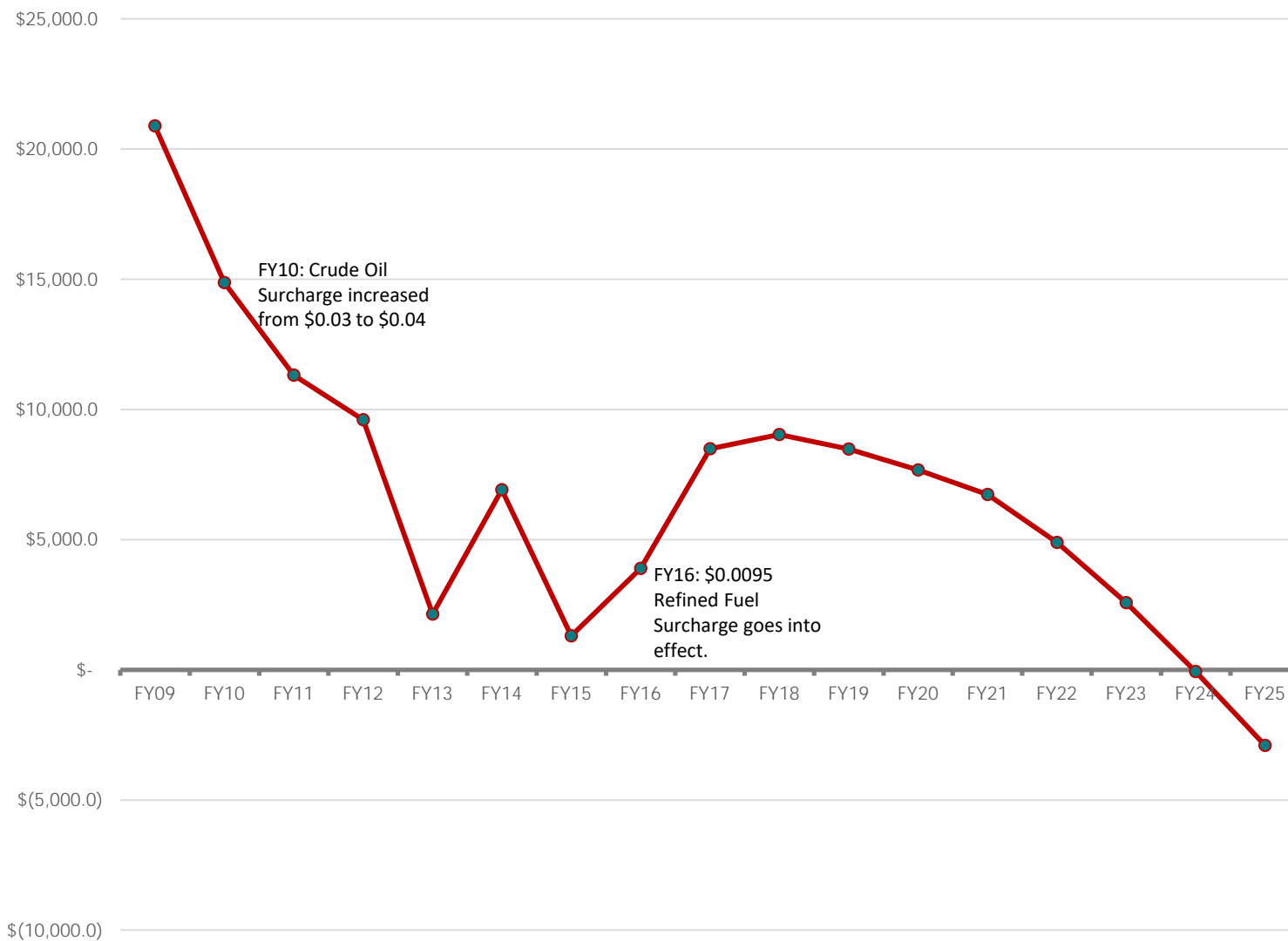


FY2021 Operating Budget Reductions

- Eliminate Class II Storage Facility Program (2 PCNs; Anchorage & Juneau)
 - Register facilities and provide spill prevention technical assistance
 - Fuel storage capacity 1,000-420,000 gallons non-crude
 - Not statutorily required
 - EPA continues to have regulatory oversight
- Reduced Capacity in Training & Guidance Unit (2 PCN; Anchorage & Juneau)
 - Training for responders and staff
 - Regulations and Division guidance development
- Reduced Capacity in Contaminated Sites (2 PCN's; Anchorage & Juneau)
 - Long term soil and water contamination cleanup
- Reduced administrative support (1 PCN in Anchorage)



Prevention Account Balance FY 2009 – FY 2025





Questions?



Appendix



Prevention Account Projection FY 2009 – FY 2025

PREVENTION ACCOUNT REVENUES, EXPENDITURES, AND BALANCE PROJECTION

Actual Revenue & Expenditures FY2009-FY2019, FY2020-FY2025 Revenue based on Fall 2019 Revenue Sources Book

REVENUE	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Surcharge Revenue: Oil	\$ 9,476.2	\$ 8,922.5	\$ 8,255.2	\$ 7,736.1	\$ 7,558.6	\$ 6,951.2	\$ 7,015.9	\$ 6,512.5	\$ 6,836.6	\$ 6,950.7	\$ 6,563.7	\$ 6,613.9	\$ 6,560.0	\$ 6,560.0	\$ 6,080.0	\$ 5,840.0	\$ 5,760.0
Surcharge Revenue: Refined Fuels								\$ 7,450.0	\$ 6,537.3	\$ 6,615.5	\$ 6,355.7	\$ 6,275.9	\$ 6,100.0	\$ 6,100.0	\$ 6,100.0	\$ 6,000.0	\$ 5,900.0
Cost Recovery/Settlements/Penalties	\$ 8,053.8	\$ 1,911.9	\$ 3,425.0	\$ 4,625.4	\$ 976.6	\$11,689.3	\$ 934.0	\$ 2,168.5	\$ 7,125.2	\$ 1,619.4	\$ 1,376.0	\$ 941.3	\$ 1,000.0	\$ 1,000.0	\$ 1,000.0	\$ 1,000.0	\$ 1,000.0
Investment Income*	\$ 3,425.5	\$ 2,690.2	\$ 1,199.7	\$ 1,079.8	\$ 215.8	\$ 395.8	\$ 290.0	\$ 549.2	\$ 551.6	\$ 391.7	\$ 691.5	\$ 1,977.8	\$ 200.0	\$ 200.0	\$ 200.0	\$ 200.0	\$ 200.0
Other Miscellaneous Revenue						\$ 257.3	\$ 779.4										
Total Annual Revenue	\$20,955.5	\$13,524.6	\$12,879.9	\$13,441.3	\$ 8,751.0	\$19,293.6	\$ 9,019.3	\$16,680.2	\$21,050.7	\$15,577.2	\$14,986.9	\$15,809.0	\$13,860.0	\$13,860.0	\$13,380.0	\$13,040.0	\$12,860.0
EXPENDITURES and CHANGES IN OBLIGATIONS	\$13,601.2	\$19,546.2	\$16,427.2	\$15,165.1	\$16,210.7	\$14,519.7	\$14,625.1	\$14,087.6	\$16,455.4	\$15,037.1	\$15,539.7	\$16,616.3	\$14,807.0	\$15,693.5	\$15,693.5	\$15,693.5	\$15,693.5
UNOBLIGATED BALANCE	\$20,891.9	\$14,870.3	\$11,323.0	\$ 9,599.2	\$ 2,139.5	\$ 6,913.4	\$ 1,307.6	\$ 3,900.2	\$ 8,495.5	\$ 9,035.7	\$ 8,483.0	\$ 7,675.7	\$ 6,728.7	\$ 4,895.2	\$ 2,581.7	\$ (71.8)	\$ (2,905.3)

* Includes Investment Income on the Response Mitigation Account, the Prevention Mitigation Account, the Response Account and the Prevention Account