

HOUSE JOINT RESOLUTION NO. 47

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SECOND LEGISLATURE - SECOND SESSION

BY THE HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Introduced: 3/22/02
Referred: Resources

A RESOLUTION

1 **Urging the United States Environmental Protection Agency and the Alaska Department**
2 **of Environmental Conservation to provide maximum possible flexibility in application**
3 **of low sulfur diesel fuel requirements to Alaska.**

4 **BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 **WHEREAS** the United States Environmental Protection Agency (EPA) has ruled that
6 in order to reduce emissions of particulate matter and nitrogen oxide from large trucks and
7 buses into the air, a cause of environmental and health problems in parts of the country, ultra
8 low sulfur diesel fuels having a sulfur content of 15 parts per million (PPM) must be used
9 nationwide for road vehicles; and

10 **WHEREAS** rural Alaska is dependent on diesel for its electrical power generation;
11 and

12 **WHEREAS** rural Alaska villages cannot import multiple grades of diesel fuel for
13 logistic and economic reasons; if ultra low sulfur diesel is required by the EPA for any road
14 fuel, all power generation will have to be accomplished with the same ultra low sulfur diesel;
15 and

1 **WHEREAS**, ultra low sulfur diesel fuel costs significantly more than the current type
2 of diesel and is less efficient, resulting in increased retail costs on already expensive power;
3 and

4 **WHEREAS** emissions from large trucks and buses are not a health or environmental
5 problem in off-road and rural Alaska, and the cost of using ultra low sulfur diesel is of no
6 benefit to rural Alaskans' health or Alaska's environment; and

7 **WHEREAS** ultra low sulfur fuel would have to be imported to Alaska at significant
8 cost because the primary fuel product in Alaska is aviation fuel, which is not subject to the
9 new emission rules; refineries in Alaska cannot produce this new product without extensive
10 modifications to existing equipment and new construction is disproportionately expensive in
11 relation to the demand and market in Alaska; and

12 **WHEREAS** Alaska fuel companies estimate a 20 percent increase in the complexity
13 of fuel shipping, delivery, and use due to the need for discrete handling of this type of fuel
14 while other fuels are also being used; and

15 **WHEREAS** Alaska electrical cooperatives that serve rural villages estimate
16 significant increases in the costs of electrical power generation due to the higher cost of ultra
17 low sulfur fuel compounded by the lower efficiency of that fuel, such that the retail cost of
18 electricity, now about \$.45 per kilowatt hour (45 cents per KWH), might rise to approximately
19 \$.70 per kilowatt hour, increasing the burden on rural consumers and the state power cost
20 equalization program;

21 **BE IT RESOLVED** that the Alaska State Legislature urges the United States
22 Environmental Protection Agency and the Alaska Department of Environmental Conservation
23 to reexamine ultra low sulfur fuel requirements that may apply to Alaska, especially in rural,
24 off-road areas, and to provide maximum possible flexibility in application of any low sulfur
25 diesel fuel requirements to Alaska.

26 **COPIES** of this resolution shall be sent to the Honorable Christine Todd Whitman,
27 Administrator of the U.S. Environmental Protection Agency; the Honorable Michele Brown,
28 Commissioner, Department of Environmental Conservation; John Iani, Regional
29 Administrator, Environmental Protection Agency - Region 10; and to the Honorable Ted
30 Stevens and the Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young,
31 U.S. Representative, members of the Alaska delegation in Congress.