

CS FOR HOUSE JOINT RESOLUTION NO. 47(RLS)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SECOND LEGISLATURE - SECOND SESSION

BY THE HOUSE RULES COMMITTEE

Offered: 4/18/02

Referred: Rules

Sponsor(s): HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

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

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

12 **WHEREAS** Alaska electrical utilities that serve rural villages estimate significant
13 increases in the costs of electrical power generation due to the higher cost of ultra low sulfur
14 fuel compounded by the lower efficiency of that fuel, such that the retail cost of electricity,
15 now about \$.45 per kilowatt hour (45 cents per KWH), might rise approximately 10 percent or
16 more, increasing the burden on rural consumers and the state power cost equalization
17 program; and

18 **WHEREAS** the Department of Environmental Conservation has recommended
19 applying the "National Plan" to all road communities and Alaska marine highway major
20 communities, despite the fact that many of these are very small, rural communities with few
21 or no heavy-duty diesel trucks and buses;

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

27 **FURTHER RESOLVED** that the Alaska State Legislature urges the Alaska
28 Department of Environmental Conservation to revise its recommendation to the United States
29 Environmental Protection Agency to include application of the "National Plan" only to those
30 major urban communities directly on the Alaska highway system.

31 **COPIES** of this resolution shall be sent to the Honorable Christine Todd Whitman,

1 Administrator of the U.S. Environmental Protection Agency; the Honorable Michele Brown,
2 Commissioner, Department of Environmental Conservation; John Iani, Regional
3 Administrator, Environmental Protection Agency - Region 10; and to the Honorable Ted
4 Stevens and the Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young,
5 U.S. Representative, members of the Alaska delegation in Congress.