

**ALASKA STATE LEGISLATURE**  
**HOUSE COMMUNITY AND REGIONAL AFFAIRS**  
**STANDING COMMITTEE**  
February 12, 2004  
8:30 a.m.

**MEMBERS PRESENT**

Representative Carl Morgan, Chair  
Representative Pete Kott  
Representative Sharon Cissna  
Representative Albert Kookesh

**MEMBERS ABSENT**

Representative Kelly Wolf, Vice Chair  
Representative Tom Anderson  
Representative Ralph Samuels

**COMMITTEE CALENDAR**

OVERVIEW OF LOW SULFUR DIESEL FUEL

[For the regular meeting minutes, see the 8:10 a.m. minutes for this date.]

**TAPES**

04-4, SIDE(S) A

**CHAIR CARL MORGAN** convened the meeting of the House Community and Regional Affairs Standing Committee at 8:30 a.m.

**SUMMARY OF INFORMATION**

TOM CHAPPLE, Director, Division of Air & Water Quality, Department of Environmental Conservation (DEC), stated that the Environmental Protection Agency (EPA) will be requiring low sulfur diesel fuel [15 parts per million (ppm) sulfur] for trucks manufactured in model year 2007. These trucks will begin being sold in the fall of 2006. If these diesel trucks are not used with low sulfur diesel fuel, the warranties will be voided and there may be engine problems. The EPA has determined that particulates associated with combustion from current diesel fuel is a significant health problem. The health benefits from less particulates and less air pollution may be as much as \$80 billion, he estimated. He noted that rural communities use

diesel for vehicles, home heating, and power generation. However, low sulfur fuel is not required for home heating and power generation.

MR. CHAPPLE explained that the EPA gave DEC the opportunity to develop an implementation plan tailored to Alaska's specific needs. Alaska has an urban [roadway] plan under which low sulfur diesel fuel will be available by the fall of 2006. The rural transition plan allows rural communities to have until 2010 to make decisions. Rural residents who purchase new diesel trucks will be responsible for getting their own low sulfur fuel to their community. By 2010 the rural communities will have to have the low sulfur fuel. Mr. Chapple informed the committee that DEC received a capital appropriation to study the health affects of diesel fuel in villages. He pointed out that in rural communities the power generation plant is frequently centrally located and has short stacks.

MR. CHAPPLE mentioned that in Puget Sound there has been a pilot project looking at costs. The pilot project found that the cost is from 3 to 8 cents per gallon higher. A 5-cent increase is what EPA anticipated so this is in that range. The energy produced is only showing a .5 percent decrease.

MR. CHAPPLE highlighted that Alaska will need Arctic grade fuel because of Alaska's climate. Flint Hills, the new owner of the North Pole refinery, has committed to producing Arctic grade low sulfur fuel. He noted that there has not been a decision as to whether communities will choose to have one or two types of fuel.

CHAIR MORGAN asked how communities will retro fit their bulk storage tanks.

RON KING, Program Manager, Air Non-Point & Mobile Services, Division of Air & Water Quality, Department of Environmental Conservation, explained that if a community started to buy low sulfur fuel several years before required, it can be mixed with the remains of the current fuel in the tank and over several seasons the mixture will be useable as low sulfur.

MR. KING, in further response to Chair Morgan, said that the power generating plants will not need to be retro fitted. However, there are gaskets and seals that may need to be replaced and some injectors have required some work.

#### **ANNOUNCEMENTS**

There were no announcements.

#### **COMMITTEE ACTION**

The committee took no action.

#### **ADJOURNMENT**

NOTE: The meeting was recorded and handwritten log notes were taken. A copy of the tape(s) and log notes may be obtained by contacting the House Records Office at State Capitol, Room 3, Juneau, Alaska 99801 (mailing address), (907) 465-2214, and after adjournment of the second session of the Twenty-Third Alaska State Legislature this information may be obtained by contacting the Legislative Reference Library at (907) 465-3808.