

SB

299

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 3/23/98

FURTHER: ^{REPORTED OUT OF} 3/31/98

DATE TURNED IN TO OFFICE: 3/31/98

Finance Committee considered SENATE BILL NO. 299

"An Act relating to the treatment of well test flares, nonroad engines, and aggregated fuel burning equipment associated with nonroad engines under the state's air quality control program; defining 'stationary source' for purposes of the state's air quality program."

and recommends:

- be replaced with _____ CS _____ (_____)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

- Senate Bill:**
- same title
 - new title
- House Bill:**
- same title
 - technical title
 - new: SCR# _____

SIGNING <u>DO</u> PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
		<i>John E. Hill</i>	→		
		<i>Frank Stall</i>	✓		
		<i>Ag Adams</i>		X	
		<i>Foreman</i>	✓		
		<i>Barney</i>	✓		
Co-Chair: <i>Deuce</i>	✓	Co-Chair:			
Co-Chair: <i>Ray</i>	✓	Co-Chair:			

NEW FISCAL NOTE(S):

Department Date Zero Fiscal

new F/N Forthcoming.				

PREVIOUS FISCAL NOTE(S):*

Department Date Zero Fiscal

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

FISCAL NOTE

3/31/98

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO. SB 299

Revision Date: _____
Title: Well Test Flares and nonroad engines

Dept. Affected Environmental Conservation
BRU Air and Water
Component Air Quality

Sponsor: Leman
Requester: Senate Finance Committee

Component Serial No. 2061

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
Personal Services	0.0					
Travel	0.0					
Contractual	11.6					
Supplies	0.0					
Equipment	0.0					
Land & Structures	0.0					
Grants & Claims	0.0					
Miscellaneous	0.0					
TOTAL OPERATING	11.6	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES []						
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FUND SOURCE

(Thousands of Dollars)

FUND SOURCE	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
1002 Federal Receipts	0.0					
1003 GF Match	0.0					
1004 GF	12.0					
1005 GF/Program Receipts	0.0					
1037 GF/Mental Health	0.0					
1091 Designated Program Receipts	0.0					
TOTAL	11.6	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY97) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

DOL review	50 hrs @ 98.50	4.7
Advertising - public notices	5 papers/twice/@ \$300	3.0
Public hearings		
room rental	4 @ \$250	1.0
hearing officer	4 @ \$250	1.0
Publication of new regulations		1.9
		<u>11.6</u>

Prepared By: SENATE FINANCE COMMITTEE


SENATOR DRUE PEARCE, CO-CHAIR

Date: 04/01/98
Phone: 465-4993


SENATOR BERT SHARP, CO-CHAIR

Date: 04/01/98
Phone: 465-3004

FISCAL NOTE

STATE OF ALASKA
1998 LEGISLATIVE SESSION

No. 1
BILL NO. Bill Version: SB299
 (S) Publish Date: 3/23/98

Revision Date (Note if correction) 3/18/98 Dept. Affected Environmental Conservation
 Title Well Test Flares and nonroad engines BRU Air and Water
 Component Air Quality
 Sponsor Senator Leman
 Requester Senate Resources Committee Component Serial No. 2061

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
Personal Services	65.9	0.0	0.0	0.0	0.0	0.0
Travel	5.5	0.0	0.0	0.0	0.0	0.0
Contractual	11.6	0.0	0.0	0.0	0.0	0.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	83.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	83.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1037 GF/Mental Health	0.0	0.0	0.0	0.0	0.0	0.0
Other (Specify Type)	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	83.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY98) cost: 0.0

POSITIONS

Full-time	1	0	0	0	0	0
Part-time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

See attached detail

Prepared by John Stone Phone 465-5103
 Division Air and Water Date 3/14/98
 Approved by Commissioner Date 3/18/98
 Agency Department of Environmental Conservation

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Analysis: Fiscal Note for SB 299

Although the bill will reduce staff workload by eliminating the need for some permits, the department is estimating that this reduction will be ten permits per year. Given the current permitting backlog of approximately 200 permits, the workload reduction would be negligible over the next five years, and so would not result in any reduction in staffing levels or expenditures. Another consideration would be the impact of changing the air quality regulations in 18 AAC 50 to be consistent with the provisions of the bill. Regulation changes of this magnitude, involving the Department of Law and a public hearing process, are estimated to cost between \$75,000 and \$100,000, and the increased workload would add to the current permitting backlog unless another position were added. The bill is also expected to increase third-party adjudication of permit disputes, as well as federal intervention, though the long-term impact of this is currently unknown.

Regulation change cost breakdown

PCN 18-#028 w/indirect @ 9.86%	1.0 FTE	65.9
Travel	statewide	5.5
DOL review	50 hours @ 93.50	4.7
Advertising - public notices	5 papers/ twice/ @ \$300	3.0
Public hearings		
	room rental 4 @ \$250	1.0
	hearing officer 4 @ \$250	1.0
Publication of new regulations		1.9
		83.0

POSITION INFORMATION HAS BEEN UPDATED AND FUNDING HAS BEEN UPDATED.
03/18/98 Position Information Inquiry/Update Prior 15:02:21

	Yr Actual	Budgeted
Position: 18-18#028 Project: 0	0	44,772.00
Comp: 18-30-00-00-00-60 Region:	0	15,149.31
Scenario: 2 FY: 99 COLA %: 0.000	0	59,921.31
Total:		

Actuals not available (Status: UNKNOWN) FLSA: | Retirement Code: A

00/00/00	Step: B for 12.0 months & Step: C for 0.0 months (total: 12.00)
0	Merit Date; use merit defaults? N (0.0 @ & 0.0 @)
	Class/Sched Prefix: 2 Schedule: 2A (actual:)
	Bargaining Unit: GG Range: 18 (actual:)
	Location Code: AWA Place: JUNEAU
	Job Class Code: P8656 Title: ENV ENG ASSOCIATE
	Seasonal Indic.: F Type: -

Optional Override Salary Rates:

Monthly Rate: 0.00 for 0.0 months & rate of 0.00 for 0.0 months
 Hourly Rate: 0.00 for 0.0 months Frozen at this rate? (Y/N): N

Press ENTER to update record; enter # or use PF key to go to another screen:
 1=Premium pay info 2=Funding info 4=Code Translations 6=Calculations
 7=MISC NEW POS DATA 8=Detail Report 12=Exit w/o update Selection: 0

0-LS1525VB
w/ new F/N
move Sen Phillips
objct Sen Adams
passed 6-1
set (Adams
on way)

SENATE BILL NO. 299

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - SECOND SESSION

BY SENATOR LEMAN

Introduced: 2/12/98
Referred: Resources

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the treatment of well test flares, nonroad engines, and
2 aggregated fuel burning equipment associated with nonroad engines under the
3 state's air quality control program; defining 'stationary source' for purposes of the
4 state's air quality program."

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

6 * Section 1. AS 46.14 is amended by adding new sections to article 5 to read:

7 Sec. 46.14.570. Nonroad engines. Notwithstanding other provisions of this
8 chapter,

9 (1) nonroad engines and aggregated fuel burning equipment associated
10 with nonroad engines are mobile sources and are not considered to be facilities;

11 (2) an air quality control permit is not required under this chapter for
12 the operation of nonroad engines or aggregated fuel burning equipment associated with
13 nonroad engines;

14 (3) the emissions from and BTU per hour ratings of nonroad engines

1 and aggregated fuel burning equipment associated with nonroad engines may not be
2 considered by the department when determining the classification of a facility for
3 purposes of an air quality control permit under this chapter;

4 (4) the emissions from nonroad engines and aggregated fuel burning
5 equipment associated with nonroad engines may not be included by the department as
6 a part of an ambient air quality analysis; and

7 (5) a regulation that regulates emissions from or establishes an emission
8 standard for nonroad engines or aggregated fuel burning equipment associated with
9 nonroad engines may not be adopted by the department without the findings required
10 under AS 46.14.010(c) made in accordance with AS 46.14.015.

11 **Sec. 46.14.572. Well test flares.** Notwithstanding other provisions of this
12 chapter,

13 (1) well test flares are not considered to be facilities;

14 (2) an air quality control permit is not required under this chapter for
15 the operation of well test flares;

16 (3) the emissions from and BTU per hour ratings of well test flares
17 may not be considered by the department when determining the classification of a
18 facility for purposes of an air quality control permit under this chapter;

19 (4) the emissions from well test flares may not be included by the
20 department as a part of an ambient air quality analysis; and

21 (5) a regulation that regulates emissions from or establishes an emission
22 standard for well test flares may not be adopted by the department without the findings
23 required under AS 46.14.010(c) made in accordance with AS 46.14.015.

24 * **Sec. 2.** AS 46.14.990 is amended by adding new paragraphs to read:

25 (28) "nonroad engine" means an internal combustion engine, other than
26 an engine used to propel a motor vehicle or a vehicle used solely for competition or
27 an engine that is subject to federal standards adopted under 42 U.S.C. 7411 or 42
28 U.S.C. 7521, that

29 (A) is in or on a piece of equipment and that is self-propelled
30 or serves a dual purpose by both propelling itself and performing another
31 function;

1 (B) is in or on a piece of equipment and that is intended to be
2 propelled while performing its function; or

3 (C) by itself, or in or on a piece of equipment, is designed to
4 be and is capable of being carried or moved from one location to another,
5 except that an internal combustion engine described by this subparagraph is not
6 considered to be a nonroad engine if it, or a similar engine or engines replacing
7 that engine and intended to perform the same or similar function as the engine
8 replaced, remains or will remain, at a location for a total of more than 12
9 consecutive months at a nonseasonal source or for the full annual operating
10 period at a seasonal source; the exception in this subparagraph does not apply
11 to the engine after it is removed from the location; in this subparagraph,

12 (i) "location" means a single site at a building, structure,
13 facility, or installation;

14 (ii) "seasonal source" is a stationary source that remains
15 in a single location for at least two years and that operates at that
16 location for at least three months each year;

17 (29) "stationary source" means a source of air pollution other than
18 emissions resulting from an internal combustion engine for transportation purposes,
19 from a nonroad engine, or from a mobile source.