

Energy, Environment and Natural Resources Committee
*Position Statement: Oppose the certified Ordinance Enacting the
Home Heating Reclamation Act Ballot Initiative (2018)*

Rick Solie, Committee Chair

- 1. Is this a new position?** Yes
- 2. Position Title:** Oppose the certified Ordinance Enacting the Home Heating Reclamation Act Ballot Initiative (also referred to as the Borough Wood Burning Ballot Initiative).
- 3. Position Statement:**

The Chamber opposes a ballot initiative proposition to enact the Home Heating Reclamation Act that will prohibit the Fairbanks North Star Borough (Borough) from regulating, prohibiting, curtailing, banning, or issuing fines or fees associated with the sale, distribution, or operation of solid fuel heating appliances or any type of combustible fuel. If enacted, this ordinance would eliminate any local control over air quality, which is a step backwards from the progress that has been made to comply with certain air quality standards.

In 2009, the Borough was designated as a nonattainment area for exceeding the federal fine particulate matter (PM_{2.5}) standard. The main cause of the pollution associated with the nonattainment status is related to home heating, largely from solid fuel heating appliances.

Consequently, the State of Alaska Department of Environmental Conservation (ADEC) must develop a State Implementation Plan (SIP) in support of attaining the federal standard. The Borough is collaborating with the State in developing the SIP.

The Borough and the State have established a Memorandum of Understanding, which purpose is to develop and implement local control programs to address pollution from area sources, specifically sources other than permitted larger facilities. Local control programs include:

- A solid fuel-fired device repair, retrofit, and replacement program;
- Voluntary programs to mitigate air quality; and
- Education and outreach.

The Borough provides a critical role in the enforcement and implementation of necessary control measures, ordinances, codes, and programs to affect attainment goals. State and Borough involvement are referenced within the Moderate Area SIP submitted to the Environmental Protection Agency in December 2014 and amended in December 2017. The amended SIP describes the Fairbanks Emergency Episode Plan with roles for the Borough and the State. The Plan allows ADEC to take action on air quality alerts, even if the Borough cannot, as would be the situation if this ballot initiative passes.

If the EPA finds that a requirement of an approved SIP is not being implemented, the consequences are federal sanctions. The sanctions include a 2-to-1 offset sanction for new and expanded stationary sources and a prohibition on federal funds for transportation

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projects within the nonattainment area with an exception for safety projects. The former has capital consequences for permittees in the nonattainment area, to include local power sources and utilities, and businesses with rock crushers or asphalt plants. This will make any industrial growth in the area expensive and difficult. The latter has an annual potential loss of \$37 million in road projects within the nonattainment area. A substantial decrease in transportation funding would have significant trickle down effects on the local economy, far beyond just the construction industry.

4. **Supporters of this position:** In general, sector representation within the Air Quality Stakeholder's Group oppose the ballot initiative because the Borough is providing a critical effort towards achieving attainment goals.
5. **Opposition to this Position:** Solid Fuel-Fired Device users and others, who may be restricted by the Borough air quality codes and ordinances with respect to home heating, could support the ballot initiative. Also, those that believe the State should be the primary and sole governmental entity responsible for attainment of air quality standards would support the ballot initiative.
6. **Action required from the Board for this Position:** Review and approve the position statement and inform membership of the initiative and its potential impacts before the municipal election on October 2, 2018.
7. **Fiscal Impact of the Position:** If the Air Quality Programs currently administered by the Borough and associated with the Moderate Area SIP are not implemented, the consequence could include a \$37 million dollar impact to transportation funding due to federal highway funding prohibition. Currently, the Borough funds its own local Air Quality Programs. Opposing the ballot initiative will allow the Borough to continue to fund local Air Quality Programs as they relate to regulating, prohibiting, curtailing, banning, or issuing fines or fees associated with the sale, distribution, or operation of solid fuel heating appliances.
8. **Supporting Documents:**
 - FNSB Change Out Program and Other Programs -*
<http://fnsb.us/transportation/Pages/Change-Out-Program.aspx>
 - Fairbanks nonattainment area documents, including FNSB-DEC MOU -*
<https://dec.alaska.gov/air/anpms/communities/fbks-particulate-matter/>
 - Clean Air Act Sanctions -*
https://www.fhwa.dot.gov/Environment/air_quality/highway_sanctions/
 - Fairbanks PM2.5 Moderate SIP -* <https://dec.alaska.gov/air/anpms/communities/fbks-pm2-5-moderate-sip/>