

## Alaska Oil and Gas Association

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*Kate Williams, Regulatory Affairs Representative*

March 24, 2011

Ms. Rebecca Smith  
Environmental Program Specialist  
Air Permits Program  
Alaska Department of Environmental Conservation  
410 Willoughby Ave., Ste. 303  
P.O. Box 111800  
Juneau, AK 99811-1800

**Re: Public Comments on ADEC's proposal to adopt regulation changes in 18 AAC 50 dealing with Air Quality Control, including new SILs for 1-hour sulfur dioxide in 18 AAC 50.215**

Dear Ms. Smith:

The Alaska Oil and Gas Association (AOGA) appreciates this opportunity to submit comments regarding the above proposed regulation changes. AOGA is a private, nonprofit trade association whose member companies account for the majority of oil and gas exploration, development, production, transportation, refining and marketing activities in Alaska.

The Alaska Department of Environmental Conservation (ADEC) proposes to update Table 5 of 18 Administrative Code (AAC) Chapter 50 to include a new 1-hour significant impact level (SIL) for sulfur dioxide (SO<sub>2</sub>) of eight (8) micrograms per cubic meter (µg/m<sup>3</sup>). AOGA believes that ADEC should not implement the 1-hour SO<sub>2</sub> SIL regulation on the basis of a level established by the Environmental Protection Agency (EPA) under an interim guidance memorandum. The proposed 1-hour SO<sub>2</sub> SIL has not been finalized under rulemaking and the public has not been given an opportunity for formal review and comment. AOGA contends that ADEC should only implement the 1-hour SO<sub>2</sub> SIL under the interim guidance as necessary under a permit action.

On June 22, 2010, EPA promulgated the new 1-hour National Ambient Air Quality Standard (NAAQS) for SO<sub>2</sub> of 75 parts per billion (ppb). Under the June 22, 2010 issuance of the SO<sub>2</sub> NAAQS, EPA did not issue a 1-hour SO<sub>2</sub> SIL. On August 23, 2010, EPA issued a memorandum entitled *General Guidance for Implementing the 1-hour SO<sub>2</sub> National Ambient Air Quality Standard in Prevention of Significant Deterioration Permits, Including an Interim 1-hour SO<sub>2</sub>*

*Significant Impact Level* (General Guidance). The guidance memorandum sets forth a recommended interim 1-hour SO<sub>2</sub> SIL that states may consider for carrying out the required prevention of significant deterioration (PSD) air quality analysis for SO<sub>2</sub>. The interim 1-hour SO<sub>2</sub> SIL is recommended for use until EPA promulgates a 1-hour SO<sub>2</sub> SIL via rulemaking, and addresses the continued use of the existing SO<sub>2</sub> Significant Emissions Rate (SER) and Significant Monitoring Concentration (SMC) to implement the new 1-hour SO<sub>2</sub> standard.

Under the *General Guidance*, EPA states that a “permitting authority that utilizes [the 1-hour SO<sub>2</sub> SIL] as part of an ambient air quality analysis should include in the permit record the analysis reflected in this memorandum and the referenced documents to demonstrate that a modeled air quality impact is *de minimis*, and thereby would not be considered to cause or contribute to a modeled violation of the NAAQS”. The state may choose to rely upon the 1-hour SO<sub>2</sub> SIL under the guidance document to implement the PSD program for SO<sub>2</sub> if the state agrees that the value represents a reasonable threshold for determining a significant ambient impact, and they incorporate into each permit record a rationale supporting the conclusion.

The *General Guidance* memorandum also recommends that the interim 1-hour SO<sub>2</sub> SIL be compared to the highest of the 5-year averages of the maximum 1-hour SO<sub>2</sub> concentrations predicted each year at each receptor. Alternatively, the interim 1-hour SO<sub>2</sub> SIL should be compared to the highest modeled 1-hour SO<sub>2</sub> concentration predicted across all receptors based on one (1) year of site-specific meteorological data. ADEC has decided not to include this multi-year averaging recommendation within the *General Guidance* memorandum into 18 AAC 50. ADEC states in the *Frequently Asked Questions Regarding the February 2011 Proposed Changes to 18 AAC 50* (FAQ) that:

“[t]he Department decided that it would be premature to adopt EPA’s suggested changes to the SIL format [multi-year averaging versus single year]. EPA did not adopt their suggestions in the Code of Federal Regulations. They [EPA] have also indicated that additional changes may be coming. Maintaining our current approach also provides consistency for *all* pollutants and averaging periods.”

It is arbitrary to codify into the State of Alaska regulations the interim 1-hour SO<sub>2</sub> SIL that has not been promulgated as final EPA regulation but to refuse incorporation of the EPA-recommended averaging periods for SILs because the averaging period has not been adopted into the Code of Federal Regulations.

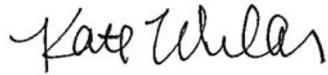
For these reasons, AOGA contends that adopting the interim 1-hour SO<sub>2</sub> SIL issued under EPA guidance into ADEC regulations is unwarranted and premature. If ADEC issues a 1-hour SO<sub>2</sub> SIL under regulation using SILs developed by EPA, it should be based on a SIL that is issued through final EPA rulemaking where public review and comment has occurred. Additionally, ADEC should provide a sound basis why a SIL issued by EPA is appropriate for application in Alaska. If ADEC chooses to implement the interim EPA guidance, it should only implement the 1-hour SO<sub>2</sub> SIL guidance under each permit action and provide a basis for each use under permit comment.

Rebecca Smith  
Air Permits Program  
March 24, 2011

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If you have any questions regarding our comments, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink that reads "Kate Williams". The signature is written in a cursive style with a large, stylized "K" and "W".

KATE WILLIAMS  
Regulatory Affairs Representative