

**Department of Environmental Conservation
FY24 Midyear Status Report**

Item No.	Appropriation / Allocation	Description	Amount / Fund Source	LFD Questions
1	Environmental Health / Environmental Health	Expanded Permitting and Testing in Drinking Water and Environmental Health Lab	\$250.0 GF/Prgm (DGF)	Has the increase in lab fees been adequately addressed with this increment? Is more authority needed? Was the proposed \$110.7 GF/Prgm increase in FY25 related to this?
<p>Agency Response: GF/Prgm authority for Environmental Health is sufficient with this increment. The proposed \$110.7 GF/Prgm is not related to the Division of Environmental Health.</p>				
2	Air Quality / Air Quality	Federally Required Air Quality State Improvement Plan Development and Regulatory Required Monitoring	\$1,207.8 Gen Fund (UGF) 8 PFT Positions	How many of these positions have been filled? What is the status of the SIP?
<p>Agency Response: Five positions are filled: one position is being offered on the week of January 8th; one position recruitment has been extended; one position recruitment was unsuccessful; and reclassification is in progress. Developing SIPs are multi-year efforts and we are still on target to have three SIPs submitted in CY 2026. This additional SIP work forecasted requires these additional resources and qualified fully trained professionals. The Division has taken the PCNs and undergone a minor restructuring effort to best align itself to adjust to future challenges.</p> <p>Current status of the SIPs:</p> <p>1) EPA’s final action on the current Fairbanks SIP was published December 5, 2023. The final action was a partial approval and partial disapproval. A big win with the final action was the EPA determined a ULSD mandate for Fairbanks is economically infeasible at this time and not required. There are still several outstanding items to resolve with the SIP. The partial disapproval conformity freeze began on January 4, 2024, which impacts the ability for the State and local Metropolitan Planning Organization (MPO) to modify short-range and long-range transportation plans. The sanction clock and Federal Implementation Plan (FIP) clock have also started and at 24 months will result in federal highway sanctions within the nonattainment area that would withhold approximately \$50 million per year and a FIP where EPA would make regulatory decisions regarding ULSD mandates, electric utility regulations, and the ability for residents in the nonattainment area to use wood stoves. To avoid the bulk of the penalties, DEC needs to have a SIP amendment submitted to EPA that resolves all of the deficiencies by approximately July 2024. While challenging, DEC is currently on track to meet that deadline but there are significant hurdles to overcome. Without the positions filled, DEC has relied heavily on contract support to keep the SIP on schedule. DEC is spending approximately \$80,000 per month on contractor support to keep the SIP on schedule and has had to amend contract terms including increasing the rate of expenditure to meet these deadlines. Continued on next page</p>				

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2	<p>Agency Response Continued: We are currently working on a target attainment year for the Serious PM2.5 Nonattainment Area - estimated to be 2027. If we fail to meet the standards by that attainment year, we will have additional requirements for plan submissions in 2028.</p> <p>2) EPA is preparing to issue a final standard on the proposed new standards for PM2.5 early in 2024. After the new standards are released, we anticipate one year until the Fairbanks area is formally designated out of attainment with the new standard and an additional 18 months from designation when a new/additional SIP will be due - anticipated late 2026. With the additional staff anticipated to be trained in that time, our hope is that we will be better prepared for the next round of SIPs and a potential boundary designation battle with the US EPA to potentially split Fairbanks from North Pole and remove the area from additional designations given specific progress.</p> <p>3) The current round of SIP review of Regional Haze is being litigated by Earth Justice's suit against the US EPA for failure to act on our current plan submission. This plan is currently under review and will likely be impacted by whatever control technologies are ultimately deemed approvable for sources in/around the PM2.5 Nonattainment Area in a supplemental submission around the end of 2024. However, we anticipate the next round of SIP calls for Regional Haze to follow the new PM2.5 standards roughly around 2027 or 2028.</p>			
3	Air Quality / Air Quality	Air Monitoring and Quality Assurance Program Rural Community Monitoring Network	\$356.9 Gen Fund (UGF) 2 PFT Positions	Have these positions been filled? Agency Response: One position will be offered on the week of January 8th, the other position was declined by the successful applicant and has been reposted for recruitment.