

Analysis
Department of Environmental Quality
Air Quality Program

Analyst: John Terpening

Request: Approve the submission of a federal grant application by the Department of Environmental Quality (DEQ) to the Environmental Protection Agency (EPA), in the amount of approximately \$5,000,000, to address air quality in Klamath County.

Analysis: The Department requests approval to apply for a federal grant from the EPA to support activities to address air quality in Klamath County. Each year the EPA identifies around 15 communities across the country as priority areas based on severe air quality conditions. The city of Klamath Falls qualifies as one such community based on their designation as a nonattainment area for fine particulate matter. Currently, Klamath Falls has the highest recorded 24-hour levels of fine particulate matter in the nation, with the main factor being wood burning fireplaces and stoves.

With this grant, the Department intends to partner with Klamath County to build upon current woodstove change-out programs, increase outreach and education efforts, and provide dry firewood through community programs. Additionally, the grant will assist with data collection through a household survey to inform woodstove interventions and evaluate future strategies, including but not limited to, evaluating opportunities to upgrade public transportation buses with low-emission buses to address on-road source emissions.

The grant requires no matching funds. The application period for the grant closes March 10 and awards are anticipated to be announced in the summer. The funding is anticipated to be structured over a five-year period. The Department will use existing staff to administer the grant, passing through most of the funds to Klamath County to implement the program. While the Department does not require additional position authority or federal funds expenditure limitation for the grant at this time, if the full amount is received more federal funds limitation may be requested in the future.

Legislative Fiscal Office Recommendation: Approve the request.



Oregon

Kate Brown, Governor

Department of Environmental Quality
Agency Headquarters
700 NE Multnomah Street, Suite 600
Portland, OR 97232
(503) 229-5696
FAX (503) 229-6124
TTY 711

January 31, 2020

The Honorable Senator Betsy Johnson, Co-Chair
The Honorable Senator Elizabeth Steiner Hayward, Co-Chair
The Honorable Representative Rayfield, Co-Chair
Joint Committee on Ways and Means
900 Court Street NE
H-178 State Capitol
Salem, OR 97301

Dear Co-Chairpersons:

This letter serves as notification to the Legislative Fiscal Office and the Chief Financial Office that the Department of Environmental Quality (DEQ) intends to submit an application to the Environmental Protection Agency's (EPA) 2019 Targeted Airshed Grant Program (RFA#: EPA-OAR-OAQPS-20-01). The application period for this federal grant closes **February 14, 2020**.

Background

EPA's Targeted Airshed Grant Program is an annual competitive solicitation to provide a substantial amount of financial assistance to local, state, and/or tribal air pollution control agencies to develop plans and conduct projects to reduce air pollution in communities not in attainment with federal air quality standards. The total estimated funding for this round is approximately \$50,306,000. EPA anticipates awarding approximately 8–15 assistance agreements from this announcement, subject to availability of funds and the quality of applications. The agency is in the midst of finalizing an application and anticipates seeking approximately \$5,000,000 in funding, structured over a five-year project period. **The application does not require a state match.** EPA intends to announce awards this summer.

Each year the EPA identifies approximately 15 communities across the country as priority areas based on severe air quality conditions. Klamath Falls is included on this list because of long-standing challenges meeting the 24-hour standard for fine Particulate Matter (PM 2.5). Identification as a priority community does not guarantee an award, although awards are only available for those 15 communities. DEQ has developed this proposal with the support of, and in close coordination with Klamath County and the City of Klamath Falls.

Klamath County is a rural community set in the high desert of southern Oregon. Geographically larger than Connecticut, Klamath County is home to only 66,443 people. Klamath Falls is the largest city with approximately 20,840 people. The surrounding terrain of hills and elongated ridges that confine the Klamath Falls area, results in the area experiencing very strong and prolonged cold air inversions which are more likely during colder winter months, when many residents rely on wood stoves for home heat.

Designated as a nonattainment area for PM 10 in 1988, and later for PM 2.5 in 2008, Klamath Falls, currently has the highest recorded 24-hour levels of PM2.5 in the nation. The 2016-2018 24-hour design value is 75 µg/m³, which is over 200 percent above the hour National Ambient Air Quality Standard. Based on Emissions Inventory, wood burning fireplaces and stoves are the main contributor.

Proposal

The Oregon Department of Environmental Quality (DEQ) will partner with Klamath County to deliver a comprehensive program to permanently reduce PM 2.5 emissions from wood smoke and on-road sources. The primary strategy of this program is to build upon previous woodstove change-out programs conducted in the area with a focus on converting woodstoves to non-wood burning sources. This effort will be coupled with weatherization efforts to maximize heating efficiency, ongoing education and outreach efforts, and providing dry firewood through a community firewood program.

Additional activities in the program include a robust data collection and analysis through a household heating survey to inform interventions and provide evaluation that will guide future strategies and programs. DEQ and Klamath County will also evaluate opportunities to upgrade public transportation buses to low emission buses to address on-road source emissions.

DEQ will not need additional FTE. While DEQ will serve as the grant administrator, the agency will pass-through the majority of funds to Klamath County for the implementation of programming and wood stove replacements. If awarded, and depending on the award structure, DEQ may need adjustments to its Air Quality Federal Funds limitation in the 2021-2023 biennium.

DEQ is very excited for this opportunity to provide a significant and focused amount of resources to maintain and improve the quality of air in Klamath Falls. Thank you for your review of this request letter. Please do not hesitate to contact me with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Richard Whitman', written over a horizontal line.

Richard Whitman
Director