

DEQ: O & G Registration		Agency/Program #: 5301-50-I2
		Division: Permitting and Compliance
		Program:
Agency Name:	Department of Environmental Quality	
Agency Contact:	Judy Hanson	444-0496
LFC Contact:	Representative Ripley, Representative Erickson	
LFD Liaison:	Barbara Smith	444-5347
OBPP Liaison:	James Chamberlain	444-1338

Program or Project Description:

Appropriation, Expenditure and Source					
Fund Name:	2008		2009		Approp & Expenditure numbers are as of August 29, 2008
	Approp.	Expended	Approp.	Expended	
General Fund					
State Special	183,451		176,569		
Federal Funds	103,320		99,774		
Total:	\$286,771	\$0	\$276,343	\$0	

Legislative Goal(s):

To issue currently required permits or registrations, provide compliance assistance, ensure compliance with all applicable air quality requirements, and protect public health through reduction of emissions of hazardous air pollutants.

Legislative Performance Measures :

1. The department will issue 25 percent of the backlogged permits or registrations each fiscal year
2. The department will conduct compliance determinations on 15 percent of the permitted or registered facilities each fiscal year.

2009 Biennium Significant Milestones:	Completion Dates	
	Target	Actual
1		
2		
3		
4		
5		

Agency Performance Report:

The Department has hired three new engineers, two student interns and opened an office in Butte that is focusing on these goals. Currently, the Department has completed processing 36% of the backlogged registration applications. The Department has also processed all registration applications that were received after the establishment of the new office within the timeframe specified in the Administrative Rules of Montana.

The Department provided compliance assistance to the oil and gas industry through the following processes: reviewing new, updated, and backlogged applications; reviewing industry requests for deregistering facilities; presenting at the Montana Petroleum Association's annual meeting; conducting compliance activities; and through written and verbal correspondence with individual companies. To date, the Department has conducted compliance inspections at 12% (75 facilities) of the registered facilities, which the Department believes is an appropriate annual level in operating a balanced regulatory program of permitting, compliance and assistance.

The Department has also been requesting information from facilities that may be required to be registered/permitted but have not submitted an application. Currently, the Department has requested emissions information from 16% (130 facilities) of these facilities, which the Department believes is an appropriate annual level in operating a balanced regulatory program of permitting, compliance and assistance.

LFD Narrative:

LFD ASSESSMENT: On-Track

DATA RELEVANCE: The data received addresses both of the two performance measures.

APPROPRIATION STATUS: The agency did not report current expenditures. The goal and related measures were tied to a present law decision package in HB 2. The agency should be able to inform the workgroup regarding the status of that appropriation.

COMMENTS/ISSUE: The agency has made clear progress on meeting the issuance of backlogged permits. The agency established the compliance review rate at 13% rather than the 15% negotiated, the workgroup may wish to inquire about the basis for this decision.

OPTIONS for the committee:

1) accept the ranking and receive another report, 2) accept and dismiss.



Version	Date	Author
5301-50-12-CC-1	12/5/7	Smith
5301-50-12-CW-2	5/21/08	Smith
5301-50-12	9/24/08	Smith

Change Description
Workgroup Update