

Action Summary Minutes

CENTRAL REGION HEARING BOARD MEETING

Central Region Office Governing Board Room
1990 E. Gettysburg Ave., Fresno, CA 93726

Wednesday, July 20, 2011, 10:00 a.m.

MINUTES

1. **CALL MEETING TO ORDER:**

The Chair, Jerry Boren, called the meeting to order at 10:03 a.m.

2. **ROLL CALL:**

Jerry Boren, Chair – Engineer	Present
Robert Schumacher – Public	Present
Jim Waterman – Attorney	Present
Gerry Mulligan – Public	Present
Dr. Lorraine Goodwin, M.D. - Medical	Present

Staff present – Central Region (Fresno): Patrick Houlihan, Sr. Air Quality Specialist; Ryan Hayashi, Supervising Air Quality Specialist; Catherine Redmond, Legal Counsel; Lynn Sargenti, Senior Office Assistant

3. Approval of Minutes from June 15, 2011

4. **PUBLIC HEARING:**

The Chair asked the Clerk to verify that all items had been properly noticed. The Clerk responded that they had. All those present to testify were sworn in by the Chair. The Chair asked that the agenda packet and any addenda brought forth to be entered into the official record.

A. C-11-05R Avenal State Prison
 #1 Kings Way
 Avenal, CA 93204

Petitioners: Mark Shandor, Dean Mehaffey, Jeff Stanley

Mr. Houlihan presented the staff report. ASP (Avenal State Prison) needs to comply with the Rule 4703. If ASP were to shut down the turbines they would have to purchase electrical power from PG&E at a cost of \$1,214,873.64 per annum. To comply with the rule, ASP needs \$3,287,020.00 to retro-fit the turbines with selective catalytic control

(SCR). State funds have been authorized, however, the project is estimated to take up to fifteen (15) months to complete and ASP would not be able to comply with the October 1, 2011, compliance date. The variance will allow ASP to continue to operate the two turbines beyond the compliance deadline while they wait for the funds to be dispersed, the ATCs issued, and the SCR installed.

The requested regular variance period would be from October 1, 2011, until September 30, 2012. The variance would allow ASP to continue to operate the two turbines after October 1, 2011, with NOx emissions higher than those allowed under Rule 4703.

Mr. Mulligan asked about this being the Environmental Justice area, if for the prison or the town. Mr. Houlihan stated this is for the town.

Mr. Shandor added comments about the finances involved for this project which has been a problem due to availability of state funds. Mr. Shandor talked about the boilers vs. turbines. Mr. Shandor expressed concerns regarding the use of the turbines for emergency back-up power should something happen with PG&E.

Mr. Boren asked what is used for emergency power without the turbines. Mr. Shandor stated he did not know what was used prior to his employment at the prison. He explained some of the emergency generators that are located throughout the prison and their current use.

Mr. Mulligan asked about car pools and Mr. Shandor stated they have van pools which Mr. Mulligan stated could help offset the emissions.

Mr. Boren commented about his concerns regarding the economic issues that are brought before the board as to why the variance is needed. He felt that he could not make the findings which would cause the closure or seizure of the property/business.

Mr. Mehaffey spoke about the problems with PG&E regarding rolling blackouts and that the area is an earth quakezone and felt this would be a security and safety issue for the surrounding communities during a power outage. He stated that to have uninterrupted power is a safety issue.

Mr. Boren responded stating that PG&E is set up to move power around due to mechanical problems and felt that PG&E is prepared for these problems.

Mr. Boren stated he could not understand how the state would build a prison without emergency back-up.

Mr. Mehaffey stated that the prison was originally designed to operate under co-generation power, with PG&E as emergency back up only. He stated that in 1995 the cogen failed. It was decided at that time to operate from PG&E.

Mr. Boren asked if they have had discussions with PG&E regarding what percent reliability they could provide for power.

Mr. Stanley proceeded to describe how the prisons are designed to function either under a cogen or from PG&E. Cogen designs are different in that they rely on cogen power with PG&E as back up. He stated that regardless of what PG&E can provide, they need a back-up power supply.

Mr. Boren stated that he is concerned that although they have operated under PG&E for many years since the cogen failed, they have not taken action for emergency back-up and now they are looking for this.

Mr. Stanley explained the lack of funds over the years for providing emergency back-up services. He stated that although there has not been a problem in the years since going to PG&E, he feels this is still a priority to have in place. He assured the Board that the funds have been made available and are waiting for them to be released so that they can proceed with this project.

Mr. Houlihan informed the Board members that the District could have one of our engineers look into modifying the permit to allow the co-gens to operate for emergency use.

Mr. Boren stated he would like to have that happen since he does not feel convinced that the need for emergency back-up is necessary since they have operated for 6-7 years without back up power and now suddenly feel that this is necessary.

Mr. Houlihan stated that this will be discussed with the District's Permit Services Department to see if the permits can be modified so that the co-gens are used for back-up should PG&E go down.

Mr. Shandor stated the rule allows this and asked Mr. Houlihan if this is possible. Mr. Houlihan stated this should be possible, but would look into it further.

Mr. Mulligan asked what is used to power the turbines. The petitioner responded that natural gas is used and supplied by PG&E.

Mr. Mulligan asked Legal Counsel, Ms. Redmond, if the petitioner's explanation of finding #2 was satisfactory. She responded stating that this is something the Hearing Board would have to decide upon.

Further discussions were made involving emissions and their effect on the surrounding area.

At this time it was suggested that this variance request be continued to the next meeting in order to give the Permit Services Department time to advise on the proposed permit changes.

Also discussed what would be necessary to define an emergency situation. Ms. Redmond responded to questions from the Board regarding what constitutes an emergency situation as allowed in Finding #2.

Mr. Houlihan asked Mr. Stanley to clarify that they do have the funds now available. Mr. Stanley assured him that they do and he explained how they are allocated and what they determine to be a priority for repair funds.

Mr. Hayashi informed the Board at this time that the Permits Department reviewed the Rule and there is an exemption to the rule which allows turbines to be used for up to one-hundred (100) hours for emergency power and testing per year. However, there are possible ramifications. If they were to do that and then try to bring them back to full time use, they would be subject to new source review and other issues. The Board and the petitioners agreed for this to be continued into the next Hearing Board meeting in August.

Public Comment: No public comment.

Having decided the petition has not met the required findings and further information is necessary to make a decision, on motion of Mr. Mulligan, seconded by Mr. Schumacher, unanimously passed, the petitioner was granted a continuation of this variance request.

B. C-11-11S Pactiv Corporation
5370 E. Home Avenue
Fresno, CA 93727

- The facility was able to have their permit modified in time and are in compliance. Therefore, no need for a variance. The petition has been withdrawn.
5. The Central Region Hearing Board had not heard nor granted any emergency variances since the June 15, 2011, meeting.
 6. **PUBLIC COMMENTS:** No public comments.
 7. **HEARING BOARD COMMENTS:** None.
 8. **NEW BUSINESS:** None.
 9. **NEXT SCHEDULED MEETING:** August 17, 2011. This meeting will be held in the Central Region Office (Fresno) in the Governing Board room.
 10. **ADJOURNMENT:** The Chair adjourned the meeting at 11:05 a.m.