

San Joaquin Valley Air Pollution Control District
Central REGION HEARING BOARD MEETING

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

ACTION SUMMARY MINUTES

Wednesday, October 21, 2015

*Meeting held via teleconferencing with the
Central Region Office (Fresno) and the
Southern Region Office (Bakersfield)*

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
Loraine Goodwin – Medical	Present
Brad Pawlowski– Public	Present
Daniel Hartwig – Public	Present

Staff Present:

Southern Region (Bakersfield): Ashley Sickler, Air Quality Assistant

Central Region (Fresno): Jessi Fierro, Assistant District Counsel; Clay Bishop, Supervising Air Quality Specialist; Patrick Houlihan, Senior Air Quality Specialist; Shannon Moore, Air Quality Specialist; Chris Kalashian, Air Quality Specialist; Carol Flores, Operations and Program Support Supervisor

3. Approve Minutes of September 16, 2015

The Chair asked if there were any comments regarding the Minutes for September 16, 2015. Hearing no comments, the Chair declared the minutes were approved as submitted.

4. Public Hearing

The Chair swore in all those present to testify for all matters.

<u>Docket No.</u>	<u>Type</u>	<u>Company Name</u>
A. C-15-22S	Short	Coalinga Cogeneration Company 32812 West Gale Avenue Coalinga, CA 93210

Petitioners: Matt Barnes and Chris Kimmich

Mr. Kalashian presented the Staff Report.

Coalinga Cogeneration Company has requested a short variance from the applicable requirements of District Rules 2070, 2201, 2520, and 4703, in addition to applicable conditions of the subject permits. The requested short variance would be effective for a non-consecutive 48-hour period to occur sometime between November 10, 2015, and February 7, 2016, inclusive. If granted, the variance would allow Coalinga Cogeneration Company to operate with excess NO_x, CO, and NH₃ emissions while conducting maintenance to balance the turbine and test it at full speed-no load.

Mr. Boren asked if the facility is entitled to a 144-hour period of relief for maintenance. Mr. Houlihan explained the 144 hours is only for glass plants, this facility is a power plant.

Dr. Goodwin requested the excess emissions amounts be repeated. Mr. Kalashian explained excess emissions are approximately 1,989 pounds of NO_x, 1,920 pounds of CO, and the ammonia concentration could be 75 ppm averaged over a three-hour period.

Mr. Barnes reported a name change to the facility; it is now Coalinga Cogeneration Facility.

Mr. Hartwig asked if the facility will be in operation during the maintenance. Mr. Barnes explained the facility has one unit and the plant will not be running. Mr. Hartwig asked if the facility normally runs year round. Mr. Barnes responded affirmatively.

Public Comments: None

Having decided the petition has met the required findings, on motion of Dr. Goodwin and seconded by Hartwig, unanimously passed, the petitioner was granted a short variance.

<u>Docket No.</u>	<u>Type</u>	<u>Company Name</u>	
B. C-15-24S	Short	Pacific Ethanol Madera LLC 31470 Avenue 12 Madera, CA 93638	<i>continued</i>

This item was taken out of order at the chair's prerogative.

<u>Docket No.</u>	<u>Type</u>	<u>Company Name</u>
D. C-15-22S	Short	Guardian Industries Corp 11535 East Mountain View Avenue Kingsburg, CA 93631

Petitioners: Nathaniel Rutterbush and Besrat Solomon

Mr. Moore presented the Staff Report.

Guardian Industries has requested a short variance from the applicable requirements of District Rules 2070, 2201, 2410, 2520, 4101, and 4354 in addition to the applicable conditions of the subject permits. The requested short variance would

be for a non-consecutive 10 day period to occur sometime between November 1, 2015, and December 31, 2015, inclusive. If granted, the variance would allow the continued operation of the regenerative glass melting furnace and glass manufacturing with excess NO_x, SO_x and visible emissions while the checker packs are cleaned.

Mr. Rutterbush clarified the comments for Finding #2; Guardian did attempt to conduct a sulfate burn off in February 2014 and they also submitted an application for a variance in September 2014 to do the same activity. He added this is an anticipated annual activity until the end of the campaign. The excess emissions are based on the September 2014 CEMS records.

Mr. Hartwig asked if the annual activity can be added to a permit. Mr. Houlihan said he will follow up with District staff.

Public Comments: None

Having decided the petition has met the required findings, on motion of Mr. Hartwig and seconded by Dr. Goodwin, unanimously passed, the petitioner was granted a short variance.

<u>Docket No.</u>	<u>Type</u>	<u>Company Name</u>
C. C-15-22S	Short	CertainTeed Corporation 17775 Avenue 23½ Chowchilla, CA 93610

Petitioners: Gus Maya, Mark Swan, Ben Cuthbertson and Enrique Chang

Mr. Moore presented the Staff Report.

CertainTeed has requested a short variance from the applicable requirements of District Rules 1081, 2070, 2201, 2410, 2520, and 4354, in addition to conditions of the subject permits. The requested short variance period would be from October 18, 2015, through November 30, 2015. If granted, the variance would allow CertainTeed to continue operating without conducting a source test on the two production units until the corroded piping can be repaired and replaced.

Mr. Moore reported District staff has concerns the variance request cannot meet the required findings based on the District's understanding of CertainTeed's operations and the circumstances leading up to the variance request, the District is of the opinion CertainTeed had sufficient opportunity to conduct a compliance source test during the 60-day window between August 18, 2015 and October 17, 2015 despite breakdowns and other maintenance problems. According to the Continuous Emissions Monitoring Systems (CEMS) CertainTeed have remained in compliance with their emissions limits.

Mr. Boren asked what the consequences are if the variance is not approved. Mr. Moore explained CertainTeed will still be required to conduct their source test as soon as they can to come into compliance with that requirement and they will likely receive a Notice of Violation (NOV) and be assessed a penalty. Mr. Boren asked if

the facility makes repairs during this time will they have relief from any requirements. Mr. Moore explained the District understands there have been leaks and repairs need to be made and feels the 60-day window was sufficient opportunity to schedule and perform the source test. He added even when the facility shut down for repairs, they were able to get back into operation and run at normal or near normal production schedule for periods of time until other failures occurred.

Mr. Pawlowski asked if District staff would have accepted a source test from the facility running at a near normal production scheduled. Mr. Moore responded affirmatively and added the District believes CertainTeed was operating within set parameters to conduct a source test. Mr. Moore stated the reasoning for conducting a source test at optimal production levels is to set production standards for the coming production year. Mr. Swan commented in the affirmative. Mr. Moore said the District believes CertainTeed was operating at a level that would be sufficient for the District to accept the source test.

Mr. Hartwig asked if a second source test conducted at higher production level would be accepted to set production levels for the coming production year. Mr. Moore responded affirmatively. Mr. Hartwig asked the cost of a source of test. Mr. Maya stated the source tests are approximately \$60,000 each.

Dr. Goodwin asked when the leak was repaired. Mr. Swan stated the leak was repaired approximately three weeks ago. He added the leak disabled one of the Electrostatic Precipitators (EPs) and the source test would not have passed. Mr. Swan stated the leak has been repaired and the EP is fully functional now. Dr. Goodwin asked how long the repairs took. Mr. Swan stated the time to make repairs was approximately four days. Dr. Goodwin asked if this malfunction has occurred before. Mr. Swan explained the leak is relatively new and explained it occurred on the supply side of the wash water system. He added earlier there was significant leakage on the return side and has since replaced the 37 year old pipe with stainless steel. He added capital was not made available to replace the supply side. Mr. Swan stated CertainTeed is preparing to replace the main artery on the supply side within the next two weeks.

Mr. Swan commented CertainTeed's confidence is shaken on the second production control unit due to issues with the EP. He said an engineer from an EP consulting firm was brought in and was uncertain of the cause also and suggested replacing the insulators. Mr. Swan stated the lead time for the insulators is 15 weeks.

Mr. Boren asked the petitioner why the source test was not performed to meet the deadline. Mr. Swan explained the second production unit was not working properly.

Dr. Goodwin asked how often the pipes have to be replaced with normal use. Mr. Swan explained the stainless steel pipes themselves can last upwards of 37 years but the insulation industry switched to a different binder that steadily erodes the inside of the pipe which causes leaks. Mr. Maya added production was down for two weeks due to corrosion in the forming flights due to the binder.

Mr. Boren asked if CertainTeed has been in compliance. Mr. Moore responded CertainTeed has remained in compliance within the permitted limits. He added CertainTeed was granted an emergency variance in September 2015.

Mr. Boren asked the petitioner if the source test had been completed and then all the issues were resolved, would another source test be completed. Mr. Maya explained the concern was these issues would occur during a source test. Mr. Boren asked if the petitioner contacted District staff to explain the situation. Mr. Maya explained the District was contacted and an Emergency Variance was granted and extended the deadline to October 17, 2015. He added there were still issues occurring and a source test could not be performed.

Mr. Hartwig asked why a longer term variance is not being sought. Mr. Moore commented the variance request has evolved due to ongoing issues. The variance was not amended due to District's opinion the source test could have been performed.

Ms. Fierro stated the legal parameters without offering interpretation of the facts of this case. She said if the Hearing Board moves to approve the variance the findings will need to be articulated before the motion is made. Ms. Fierro said under District Rule 5040 a petitioner looking for a variance is required to state the facts showing why compliance is unreasonable or unduly burdensome for the applicant. She also said under the California Health and Safety Code it is required to post public notice and make the petition available for the public for a short variance ten days before the public hearing. A new petition would not be able to drafted and approved even if there are changes in the facts or more information has come to fruition.

Mr. Hartwig requested clarification of the Board's responsibility. Ms. Fierro explained the Board will need to make and articulate why Finding #2 is applicable.

Mr. Hartwig asked what the requirements are to schedule a source test. Mr. Cheng explained a company must be scheduled to come to the facility and perform the source test. Mr. Moore commented there are other source test companies available.

Mr. Hartwig asked if the current variance as written will not be beneficial to the facility since the variance period is until the end of November but the source test can't be done until the insulators are installed in at least 15 weeks. Mr. Moore responded affirmatively and added the source test can be performed but with the issues heard today not at optimal production levels. Mr. Hartwig asked what penalty will be assessed for failure to perform a source test by the given deadline. Mr. Moore explained the total penalty assessment for not performing a source test will be \$3,000 unless the source test is failed and then penalties for excess emissions will be assessed. Mr. Bishop commented the District is aware of the situation and would not assess additional penalties if the facility performed the test after the insulators are installed. Mr. Houlihan stated there may also a monthly penalty of \$1,200 for not doing the source test.

Ms. Fierro commented the petitioner could submit a new petition for the next month with all of the information updated.

Dr. Goodwin asked if the production levels will be kept at the same rate. Mr. Swan responded affirmatively unless a leak occurs. Dr. Goodwin asked where the water drains. Mr. Swan explained it is a closed system and there is no discharge into the environment.

Mr. Houlihan commented the EP concern was brought to the attention of the District after the staff report was completed and distributed.

Public Comments: None

Having decided the petition has not met the required findings, on motion of Mr. Hartwig and seconded by Mr. Pawlowski, unanimously passed, the petitioner was denied a short variance.

5. Emergency Variance

The Central Region Hearing Board heard and granted two emergency variances since the September 16, 2015, hearing.

6. Public Comments

None

7. Hearing Board Member Comments

None.

8. New Business

None

9. Next Scheduled Meeting

The next scheduled meeting is November 18, 2015. The meeting will be held in the Central Region Office (Fresno) in the Governing Board room.

10. Adjourn

The Chair adjourned the meeting at 11:08 a.m.