

Action Summary Minutes
SOUTHERN REGION HEARING BOARD MEETING

Southern Region Office Video Teleconference (VTC) Room

2700 "M" Street, Bakersfield, CA 93301

Wednesday, October 8, 2008, 10:00 a.m.

**Meeting held via teleconferencing (VTC) with the
Central Region Office (Fresno) participating via VTC.**

AGENDA

1. CALL MEETING TO ORDER:
The Chair, Hollis Carlile, called the meeting to order at 10:06 a.m.

2. ROLL CALL:
- | | |
|-----------------------------------|---------|
| Kimm Wolber - Medical | Present |
| Nancy Dunn - Public | Present |
| John Stovall - Attorney | Present |
| William Bland - Public * | Present |
| Hollis Carlile (chair) - Engineer | Present |

** attended in Central Region Office*

Staff present—Southern Region (Bakersfield): Creighton Smith

Central Region (Fresno): Ryan Hayashi, Senior Air Quality Inspector; Patrick Houlihan, Sr. Air Quality Specialist; Catherine Redmond, Assistant District Counsel; and Michelle Banuelos, acting as Clerk to the Boards.

3. APPROVE MINUTES OF SEPTEMBER 10, 2008
The Chair, Hollis Carlile, asked if there were any comments regarding the Minutes of September 10, 2008. Hearing none, the Chair declared the Minutes for September 10, 2008, approved.

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, and he requested that they sign in.

The meeting was turned over to Bill Bland. Due to a conflict of interest, the Chair, Hollis Carlile and John Stovall, abstained from the next two items. William Bland, Vice-Chair acted as Chair.

This period of time will be used for testing as well. Mr. Lundy requested a change to Condition number 7 to read:

CUSA shall notify the District at least 24 hours, but no more than 72 hours each time prior to a scheduled shut down of the vapor recovery system.

Additionally, Mr. Lundy requested a change in the variance period to November 5, 2008, to February 2, 2009.

Patrick Houlihan pointed out that the verbiage on Condition number 9 would also need to be changed to February 17, 2009.

Public Comments: None

Motion: Dunn

Second: Wolber

AYES: Wolber, Dunn, Bland

NAYS: None

Having decided the petition has met the required findings, the Hearing Board voted unanimously to pass the Motion to grant the variance subject to the conditions and changes in the staff report on pages four five.

Hollis Carlile and John Stovall returned to the meeting. William Bland turned over the chairmanship to Mr. Carlile.

C. S-08-65S Short Kern River Cogeneration Company
1600 China Grade Loop
Bakersfield, CA 93308

Petitioners: Daniel Beck
 Carl Kylel Todt

Patrick Houlihan requested the Chair to consolidate the next three items into one since the staff report shows the problems are almost identical. Mr. Carlile indicated it was agreeable for the District to present one report for all three, S-65s, S-66s and S-67s, then act on each one separately.

Patrick Houlihan presented the report. Kern River Cogeneration Company (KRCC) and Sycamore Cogeneration Company has requested a short variance to occur between November 1, 2008, and January 29, 2009, to allow the operation of the subject turbine unit with excess NO_x and CO emissions while KRCC and Sycamore conduct the necessary performance tests.

Mr. Beck stated the District's Staff report was accurate in describing KRCC and Sycamore's petitions. He wished only to add that they want to install new secondary nozzles, one in Kern River and three in Sycamore. Newer models will be installed and will need to be tested. Mr. Beck indicated he spoke to Cory Eager and wanted to confirm the following:

S-65S – Recommendation 2B, that it references ATC S-88-4-16.

S-67S – Recommendation 2B, conditions 50, 51 and 52 instead of 41, 42 and 43.

Mr. Carlile stated he was curious about the newer technology of the nozzles. Mr. Todt answered on the original design of the nozzles there is a very small orifice plate held in with a snap ring, but they found that the snap ring would allow gas to go around the orifice plate and essentially increase the pilot gas which can affect emissions. They have taken that out and placed a paper-threaded orifice in to seal it and also put in a prescreen that will not allow that small orifice and the orifice plate to be plugged with anything.

Public Comments: None

Motion: Wolber

Second: Dunn

AYES:Wolber, Dunn, Bland, Carlile, Stovall

NAYS: None

Having decided the petition has met the required findings, the Hearing Board voted unanimously to pass the Motion to grant the variance subject to the conditions and changes in the staff report to occur between November 1, 2008, and January 29, 2009.

D. S-08-066S Short Kern River Cogeneration Company
1600 China Grade Loop
Bakersfield, CA 93308
Petitioners: Daniel Beck
Carl Kylel Todt

Patrick Houlihan's staff report included S-65S, S-66S and S-67S. Mr. Carlile, the Chair, indicated it was agreeable for the District to present one report for all three, and then act on each one separately.

Public Comments: None

Motion: Stovall

Second: Dunn

AYES:Wolber, Dunn, Bland, Carlile, Stovall

NAYS: None

Having decided the petition has met the required findings, the Hearing Board voted unanimously to pass the Motion to grant the variance subject to the conditions and changes in the staff report to occur between November 1, 2008, and January 29, 2009.

E. S-08-67S Short Sycamore Cogeneration Company
1600 China Grade Loop
Bakersfield, CA 93308
Petitioner: Daniel Beck
Carl Kylel Todt

Patrick Houlihan's staff report included S-65S, S-66S and S-67S. The Chair, Mr. Carlile indicated it was agreeable for the District to present one report for all three, and then act on each one separately.

Public Comments: None

Motion: Dunn

Second: Bland

AYES: Wolber, Dunn, Wolber, Bland, Carlile, Stovall NAYS: None

Having decided the petition has met the required findings, the Hearing Board voted unanimously to pass the Motion to grant the variance subject to the conditions and changes in the staff report to occur between November 1, 2008, and January 29, 2009.

F. S-08-68i Interim Sierra Power Corporation
P O Box 10060
Terra Bella, CA 93270
Petitioner: Dave Myer
Laura Bazeley
Kent Duysen

Patrick Houlihan presented the report. Sierra Power Corporation (SPC) is seeking an interim variance to occur from September 30, 2008, until November 12, 2008, to allow the operation of the cogeneration's biomass-fired boiler without a functioning Continuous Opacity Monitoring System (COMS).

Mr. Carlile pointed out that on page three, Recommendation number one, the staff report indicates November 11, 2008, but Petitioner's Request is November 12, 2008. Patrick Houlihan acknowledged the oversight and confirmed that it will be corrected to show November 12, 2008.

Laura Bazeley stated the District's Staff report was accurate in describing Sierra Power's Petition. Her concern was Condition number 7. Sierra Power is monitoring the opacity and recording it, but they do not have anyone available that is CARB certified and would like to discuss how to modify that condition.

Patrick Houlihan asked how Sierra Power is monitoring without a certified person. What is their current process? Mr. Myer answered he is monitoring by using their existing opacity monitor, minute averages instantaneous readings and the way the plant has been run in the past.

Mr. Houlihan asked if the opacity meter is functioning accurately. Mr. Myer noted that right now the monitor gives erratic voltages. Sometimes it can give high or low readings, and may go into a fault code. Right now, the monitor is not reading accurately. But prior to that, when the monitor fell on September 23rd, just by what we monitor in the control room and by watching the stack is how I monitor it at this time. Ms. Bazeley noted that Mr. Myer views the stack and compares it to the monitor daily. Mr. Myer said he views the stack many times a day.

Mr. Houlihan indicated the Regional Hearing Board has granted several variances this year and every one of them has included the stipulation that someone who is CARB Certified must do the monitoring. In some instances an outside contractor has been hired.

Mr. Duysen indicated he just got to read the petition this morning via e-mail and didn't realize Condition number 7 was going to be required.

Mr. Houlihan asked if they have looked into hiring an outside contractor and recommended that they try to contact an outside contractor to monitor beginning Monday, October 13th. He went on to state an additional statement should be included that if, after due diligence, an acceptable CARB certified staff or contractor can not be obtained, Petitioner shall contact the District to discuss further options.

Mr. Bland interjected that the District should go further in helping the Petitioner out by pointing out the website or perhaps the District can provide a list of names and numbers of qualified CARB inspectors to help the Petitioner expedite this.

With the help of Catherine Redmond, Patrick Houlihan presented a change to condition number seven to read as follows:

Sierra Power shall monitor visible emissions during the variance period. Visible emissions shall be evaluated and recorded once every day, during daylight hours, Monday through Friday starting October 13, 2008. Determination of visible emissions shall be calculated as an average of twenty-four consecutive observations recorded at 15-second intervals for a minimum of fifteen minutes, in accordance with EPA Method 9. The person(s) monitoring visible emissions shall be certified by CARB to read visible emissions. A written report of each visible emissions evaluation shall be maintained and a copy shall be provided to the District. Or after due diligence, a CARB certified contractor can not be located, Sierra Power shall contact the District on October 13, 2008, and the District may grant an extension of time of up to five days.

Mr. Bland asked how long it would take to have a staff member CARB certified. Mr. Houlihan indicated that the classes are three-day classes and are not offered every month. Mr. Bland recommended to the Petitioners of Sierra Power to keep an eye on the Valley Air website for the next class and added that it would be most cost-effective for Sierra Power to have a staff member CARB certified than to hire out.

Public Comments: None

Motion: Stovall

Second: Dunn

AYES: Wolber, Dunn, Bland, Carlile, Stovall

NAYS: None

Having decided the petition has met the required findings, the Hearing Board voted unanimously to pass the Motion to grant the variance subject to the conditions and changes in the staff report to occur between September 30, 2008, and November 12, 2008, with a provision that Condition number seven shall be modified.

5. The Southern Region Hearing Board heard no emergency variances from September 10, 2008 up to October 8, 2008.

6. PUBLIC COMMENTS: No public comments.
HEARING BOARD MEMBER COMMENTS: No Hearing Board member comments
7. NEW BUSINESS: Patrick Houlihan shared that he recently attended the Air Resources Board Advanced Hearing Board Training and learned that in the last two years, the Valley Air District has been the number one issuer of variances in the entire state. Patrick also introduced Ryan Hayashi as the new supervisor of variances for the Compliance Department.
8. NEXT SCHEDULED MEETING: Wednesday, November 12, 2008, at 10:00 a.m.
The meeting will be held via video conferencing (VTC) in the Southern Region Office (Bakersfield) with the Central Region Office (Fresno) participating via VTC.
9. ADJOURNMENT
The Chair adjourned the meeting at 11:16 a.m.