



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT
SINCE 1955

April 2, 2009

SCS Engineers
3117 Fite Circle, Suite 108
Sacramento, CA 95827

Attention: Mr. Patrick Sullivan
Senior Vice President

ALAMEDA COUNTY
Tom Bates
(Secretary)
Scott Haggerty
Jennifer Hosterman
Nate Miley

RE: Application Numbers: 14814
Plant Number: 2066
Equipment Location: **Waste Management of Alameda**
10840 Altamont Pass Road
Livermore, CA 94550

CONTRA COSTA
COUNTY
John Gioia
Mark Ross
Michael Shimansky
Gayle B. Uilkema

Dear Mr. Sullivan:

MARIN COUNTY
Harold C. Brown, Jr.

The District has received your comment letter dated March 30, 2009 concerning the District's March 16, 2009 draft report and draft permit conditions. The District's response to each of your comments is detailed below.

NAPA COUNTY
Brad Wagenknecht
(Vice-Chairperson)

Response to Comment No. 1:

SAN FRANCISCO
COUNTY
Chris Daly
Eric Mar
Gavin Newsom

I have reviewed your concerns about statements in the preliminary decision report, Pages 3, 7, 8, and 11, related to new source review and offset applicability. The statements on pages 3, 7, and 8 are correct; the District will not be making any changes to this text. The statements of pages 3, 7, and 8 indicate that a new source review (NSR) analysis is required for devices that will be burning gas collected from Fill Area 2 and that offset requirements must be satisfied if they are triggered. The footnote on page 3 also clarifies that the state offset relief for abatement devices does not apply to gas collected from Fill Area 2, because Fill Area 2 triggered a modification of the landfill. When the District conducts the necessary new source review analysis for the landfill gas control devices that will be burning gas collected from Fill Area 2, the District will determine: (a) if burning gas collected from Fill Area 2 in a new or existing device will result in any emission increases at that device, (b) the amount of emission increases at each device (if any) and total emission increases for the project, (c) if these project emission increases will be subject to offsets, and (d) who, District or Waste Management, will be responsible for providing any required offsets.

SAN MATEO COUNTY
Carol Klatt
Carol Groom

SANTA CLARA COUNTY
Susan Garner
Yoriko Kishimoto
Liz Kniss
Ken Yeager

SOLANO COUNTY
James Sperring

SONOMA COUNTY
Shirlee Zane
Pamela Torliatt
(Chairperson)

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However, on page 11, the District incorrectly stated:

"To ensure that these offset requirements are not circumvented, the District will limit all existing control devices to burning gas collected from Fill Area 1 only. Waste Management must apply for a change of permit conditions and supply the required offsets before a permitted landfill gas control device could be used to control gas collected from Fill Area 2."

The District has only limited the A-15 and A-16 Flares and the S-210 LNG Plant to burning gas from Fill Area 1 only. The S-6 and S-7 Gas Turbines and the S-23 and S-24 IC Engines do not have this explicit restriction in their current permit conditions, and the District is not proposing any changes to the permit conditions for these turbines or IC engines at this time. However, future changes in fuel composition could trigger the need for a permit modification and a new source review analysis for these sources (S-6, S-7, S-23, and S-24), if the change in fuel composition will result in increases of a regulated air pollutant or a toxic air contaminant above the level permitted in the most recent permit application or HRSA for that device. If a fuel change - such as a change in the permitted landfill gas composition - does trigger a modification at one of these energy recovery devices, the permit change might not require offsets. For instance, the permit condition change may result in sulfur dioxide emission increases and TAC emission increases but no changes in the permitted POC or NOx emission levels. Or, Waste Management might not have to supply the required offsets due to state provisions such as H&S Code 42314. Therefore, the District is replacing the statement on Page 11 with the following text:

"To ensure that these offset requirements are not circumvented, the District is requiring that Waste Management submit the collection and control system design plan for Fill Area 2 in the form of a permit application for a Change of Conditions (see Condition # 19235, Part 1). This permit application will enable the District's review of the adequacy of the proposed collection and control systems for Fill Area 2 and will trigger the necessary new source review determination for any existing sources or abatement devices that will be burning gas collected from Fill Area 2."

I also want to correct a few of your statements concerning the turbines and engines, especially your concept that these sources are "exempt" from offset requirements. As explained below, the term "exempt" from offsets is not correct, even though it is true that Waste Management has not been required to provide offsets for the emissions from these devices to date, and Waste Management might not be responsible for providing emission reduction credits for future changes at these devices, if Waste Management can satisfy all of the state resource recovery project requirements and the District has the necessary credits for these types of projects.

The gas turbines were initially permitted in 1989 (prior to the April 5, 1991 NSR applicability date), these turbines were modified in 2004 under Application # 8583 by increasing the permitted hourly heat input rate for each turbine. New NOx and POC emission rate limits (lbs/MM BTU) were established to ensure that NOx and POC emissions would not exceed the previously permitted annual emission rates and would therefore not trigger offsets. To date, no offsets have been supplied for the NOx or POC emissions from the turbines; however, the turbines are not "exempt" from offset requirements. If Waste Management proposed to change the turbine operation (including changes in fuel composition) in such a manner that the turbines will emit more than the currently permitted emission level of any pollutant or TAC, then this change of operation

would constitute a modification that would subject the turbine to NSR requirements. If this modification results in NOx or POC emission increases at the turbine, then the turbine would be subject to offsets. For this future scenario, it is possible that Waste Management might be able to demonstrate that the turbines satisfy H&S Code 42314 and that offsets are not reasonably available. In this case, the District would supply the necessary offsets on behalf of Waste Management, if the required emission reduction credits were available from in the District's growth allowance emission reduction credit account for resource recovery projects. The net result of this modification scenario may be that Waste Management does not have to supply the required offsets for the turbine emission increases, but the turbines are clearly not "exempt" from offsets.

The IC engines were initially permitted in 2002, and the permit was modified in 2003. The IC engines resulted in both NOx and POC emission increases, and these emission increases were subject to District offset requirements. The District determined that this project qualified with the state provisions for resource recovery projects and that offsets were not reasonably available. The District supplied the necessary NOx and POC offsets for these engines from a growth allowance for such projects. Thus, the engines were not "exempt" from offsets. The future scenario described above for the turbines could also apply to the engines.

The permit conditions for the turbines and engines do not explicitly prohibit the turbines and engines from burning gas from Fill Area 2. However, the gas composition described in the most recent permit applications for these devices (which was landfill gas collected from Fill Area 1 at the older TAC concentration limits) is an implied condition for S-6, S-7, S-23 and S-24. The expected changes in gas composition for gas collected from Fill Area 2 are not likely to impact compliance with the current NOx or POC emission limits for S-6, S-7, S-23 or S-24, but these expected gas composition changes will trigger the need for a new HRSA for these devices because these changes will allow increases in emissions for various TACs. The new requested TAC emission levels for S-6, S-7, S-23, and S-24 and the resulting HRSA requirement should be addressed in the permit application that Waste Management will be submitting for the Fill Area 2 gas control system. Waste Management might want to address the new TAC emission limits for S-6 and S-7 earlier, when Waste Management submits the application to increase the H2S limit for the turbines (up to 200 ppmv, for consistency the site's other landfill gas H2S limits).

Response to Comment No. 2:

While the District agrees that the fugitive POC emission limits in the Condition # 19235, Part 17a table are the primary limits for the landfill, the District is authorized to impose permit conditions necessary to demonstrate compliance with emission limits. Since the fugitive POC emission limit is based on a calculation scenario and cannot be measured directly, the District typically uses surrogate parameters that can be directly monitored to demonstrate compliance with the calculated emission limit. In this case, the material placement limits and landfill gas NMOC concentration limits are surrogates for the fugitive POC emission limit. Compliance with these surrogate limits can be demonstrated through monitoring and records. The POC emission limit would not be

adequately enforceable unless these surrogate parameters have firm limits. Therefore, the District is not granting your request to remove these surrogate limits or to characterize them as anticipated amounts, as this would compromise the enforceability of the fugitive POC emission limit.

The District has established annual record keeping provisions to demonstrate compliance with the material placement limits and NMOC concentration limits. Annual records are reasonable and do not present an excessive burden. The District has also made allowance in the permit conditions for a temporary suspension of these limits while the District makes a determination about whether or not an excess of a surrogate limit will result in an excess of a fugitive POC limit. This allowance addresses your concern about having to report a deviation for something that does not constitute an excess of the emission limit, as long as Waste Management follows the procedures in Part 17b.

Response to Comment No. 3:

You stated that June 21, 2006 Amended Design Capacity Report incorrectly states that construction, modification, or reconstruction began in "Summer, 2006". Please submit a revised Amended Design Capacity Report clarifying your new anticipated date to begin construction on the Fill Area 2 modification, as defined in the applicable federal provisions. In anticipation of receiving this revised Amended Design Capacity Report, the District will remove the sentence related to this disputed date from the report.

Response to Comment No. 4:

The District agrees to remove "from 2009 forward" from Part 17a(iv). The asterisk in the table indicates that the limits are effective upon commencement of waste disposal in Fill Area 2.

Response to Comment No. 5:

In Parts 19k(i), the District is already requiring an "estimate" of the average vehicle fleet weight and annual vehicle fleet trips. The District also expects that the description of the vehicle fleet will contain estimates of empty weights, load weights, etc. for vehicles that are not weighed at the scale house. In Parts 19k(iii), the District is requiring an "estimate" of the annual operating hours for the types of mobile equipment that are operating at the active face. As with Part 19k(i), the District expects that the description of the off-road mobile equipment may contain estimates of vehicle weights, etc. I believe these clarifications address your concerns about these record keeping requirements. Additional revisions of subpart 19k seem to be unnecessary.

Conclusion

The District has incorporated the changes described above into the preliminary decision report for the Fill Area 2 landfill expansion project, and is now ready to issue the public notice for the District's preliminary decision on this project. Waste Management may provide any further comments on the proposed condition revisions during this public comment period. Upon conclusion of this comment period, the District will consider and respond to all comments before making the final permitting decision on this matter.

If you have any further questions, please call me at (415) 749-4702. Comments or questions may also be submitted by fax: 415-749-4949 or email: callen@BAAQMD.gov.

Very truly yours,



Carol S. Allen
Senior Air Quality Engineer