INDUSTRIAL STAKEHOLDERS GROUP (ISG)
MEETING MINUTES – September 16, 2011

The following issues were discussed at the 9/16/11 ISG meeting. Follow-up items are **bolded**.

1. Environmental Management Assistant Commissioner Jane Kozinski addressed the ISG. She stressed the importance of the need to improve air quality. Ms. Kozinski also pointed out that NJ ambient air had many exceedances of the 75 parts per billion ozone ambient air quality standard, but also noted that there had been substantial progress made in reducing the sulfur dioxide ambient air concentration. Ms. Kozinski encouraged all stakeholders to continue to make progress in lowering air contaminant emissions and improving air quality.

2. The August 4, 2011 memorandum, "Permit Applicability for Equipment and Source Operations Operated During Construction, Repair, and Maintenance (CRM) Events" was outlined. The memorandum clarifies the notification provisions to be met for temporary equipment and source operations involved in CRM. It was noted that the CRM notification forms must be electronically filed with the appropriate Regional Enforcement Office and that they would be available on the Department's website by Monday, September 19. It was stressed that the memorandum only covered the temporary equipment brought on-site and not the equipment undergoing the maintenance or repair or that was being constructed. The Department requested feedback to Air Permitting of individual situations where the memorandum does not fit, and to Air Enforcement where a permittee believes a case-by-case determination of applicability needs to be made.

   It was asked whether the emissions from the temporary equipment have to be included on emission statements

   The Department stated that the temporary equipment could be operated at more than one location at a facility, but that the total operating time at a single facility could not exceed 90 days.

   A question was raised concerning the 8/4/11 memorandum's applicability to a situation in which an emergency generator is brought to a facility in case of power loss or when maintenance is being conducted on a duplicate power feeder. A similar scenario was offered in which a hospital installs a backup emergency generator while maintenance was conducted on its connection to the electric grid. The Department restated that Air Enforcement should be contacted for applicability determinations not covered by the 8/4/11 guidance. In addition, the Department stated that it is developing general operating permits (GOP) and general permits (GP) to address emergency generator permitting.

   It was asked whether placeholders in Operating Permits should be removed if they were added to cover equipment which now meets the applicability provisions in

the 8/4/11 memorandum. The Department stated the placeholders can be removed, but facilities should consider removing them on a case-by-case basis. A related question involved the General Provisions of the Operating Permit, which require all applicable equipment brought on-site to have APC Permits. The Department stated that if the provisions of the 8/4/11 memorandum are met, the General Provision clause would not apply.

A question was raised if the 8/4/11 memorandum included a situation in which a fuel oil boiler temporarily replaced a natural gas boiler. The Department responded that such a scenario was covered by the memorandum as long as the fuel oil boiler met all applicable RACT and other applicable state and Federal rules.

The Department clarified that the "90 day" limit in the 8/4/11 memorandum is on a calendar year basis.

FOLLOW-UP: The Department will notify stakeholders that information concerning the types of equipment that need to be included in Emission Statements can be found in "Guidance Document 2010 Emission Statement Report of Actual Emissions" which can be accessed at http://www.state.nj.us/dep/aqm/es/guide10.pdf. In the Guidance Document, specific instructions on what equipment is exempt from Emission Statements can be found on pages 14-15.

The Department will update stakeholders on its effort to develop GOP/GP for emergency generators.

3. The Department outlined its upcoming plan for electronic submittals of stack test protocols, stack test reports, and CEMS certification reports. The electronic format will be based on EPA's Electronic Reporting Tool (ERT), modified to meet NJ's needs and to be more user-friendly. For example, the Department stated that stack testing firms could link fields in their current spreadsheets to the ERT spreadsheets. Additional protocol Method Templates are also being developed to augment the existing Templates that are currently available. ERT protocol submittals will include relevant Templates as attachments. Initially, the ERT submittals would be submitted on a CD Rom disk, but in the future, they may be able to be submitted through the DEP portal. There is, as yet, no current mandatory date by which ERT must be used once it is available, but the Department indicated that when it can be used, it should be used. The Department is planning on having a one-day seminar/webinar on the ERT which would allow stakeholders to provide comments. Technical Manual 1004 "Guidelines for Compliance Stack Emission Test Programs" will be updated to include use of the ERT and to include the new Method Templates.

4. Two recently developed Air Quality Permitting Procedures were discussed. The first clarifies the definition of "dual fuel" as it applies to N.J.A.C. 7:27-19.7 and lists the criteria by which a boiler would be considered capable of combusting both natural gas and Number 2 fuel oil. This is significant since the "dual fuel" limit in Table 9, N.J.A.C. 7:27-19.7 (0.12 pounds NOx per million British Thermal Units - lb NOx/MMBTU) is higher than the limit for natural gas only (0.05 lb NOx/MMBTU) or Number 2 fuel oil only (0.08 lb NOx/MMBTU).

   The Department clarified that a burner having two separate fuel feed nozzles or a burner having interchangeable nozzles was not disqualified from being "dual fuel."

   Clarification was requested for issues involving the "dual fuel" burner policy including a burner which had two different viewing ports (UV for natural gas, IR for Number two fuel oil). The Department advised that sufficient data on the burner should be provided so that it could decide whether these and other design parameters were sufficient to conclude that the burner met the intent of the "dual fuel" interpretation.

   The second procedure provides clarification on when to exclude certain intermittent source operations from air quality modeling. The USEPA has stated that equipment that operates under an "intermittent" basis does not have to be included when conducting air quality modeling for the 1 hour SO2 and NOx NAAQS. Emergency generators that meet the five criteria listed in the July 29 memorandum and are included in the facility's compliance plan are generally not required to be included in 1 hour modeling studies.

5. A question was raised regarding how dual fuel boilers were impacted under N.JA.C. 7:27-19.25, "Exemption for emergency use of fuel oil." Specifically, could a boiler operate under the specifications of N.J.A.C. 7:27-19.25 without having that regulation explicitly included in the compliance plans?

   FOLLOW-UP: The Department will provide clarification as to whether N.J.A.C. 7:27-19.25 has to explicitly be included in a compliance plan and share with the regulated community.

6. An outline was provided on Air Quality Permitting's efforts as part of the Department's Transformation initiative. These efforts include: issuing additional guidance; working with the USEPA to modify rules, such as reclassifying certain permit modifications as "minor" instead of "significant;" streamlining compliance plans; modifying the degree of monitoring in general; developing compliance plan templates for Federal rules; and developing additional General Operating Permits.

The Operating Permit program significant modification procedures underwent a LEAN review to assess potential opportunities for improvement. One specific area identified was improving application quality and consistency. A six month pilot project has been initiated to test the usefulness of more pre-application meetings and identify key deficiencies sooner in the review process. Also, the NJDEP will develop technical review checklists to help inform, early in the permit application process, stakeholders of the key information which needs to be submitted.

The Department stated that it has been delegated the determination of PSD applicability. As part of this recent delegation from EPA, subsequent PSD permit applications must address the applicability of Environmental Justice and Endangered Species.

7. The Department announced that the Combined Heat and Power (CHP) General Operating Permit/General Permit (GOP/GP) for engines and turbines is available for use. The Department had committed to issuing this GOP/GP in New Jersey's draft Energy Master Plan. The unit's required 65% efficiency will be determined with the method specified in 40 CFR Part 60 Subpart KKKK. The minimum required stack height in the GOP/GP was determined through a risk assessment procedure. The changes made to the draft GOP/GP based on the comments received will be outlined when the formal availability announcement is made. The CHP GOP/GP cannot at this time be submitted through the Department's internet portal, but can be submitted by email.

8. An update was given on the Landfill and Asphalt Manufacturing State of the Art Manuals, which are under development. The draft SOTA Manual for Asphalt Pavement Production Plants was issued for public comment on August 1, 2011. The Department is in the process of addressing comments, and that the stack emission test results of two new asphalt plants permitted in June may be used to determine SOTA performance levels for new asphalt plants.

   The draft SOTA Manual for Landfill venting equipment is currently being revised to include landfill gas pretreatment equipment. This pretreatment equipment removes the siloxanes from the landfill gas prior to combustion in an engine or turbine. Combustion equipment without landfill gas pretreatment was being clogged when the siloxanes were being converted to silica oxides. This lowered combustion efficiency, increased air contaminant emissions, and increased maintenance costs. Stakeholder comments received on the initial draft of the Manual confirmed that performance levels and emissions are adversely affected by siloxanes.

9. The USEPA Control Technique Guidelines (CTG) which the Department is currently evaluating were described. CTG are RACT guidance issued by the USEPA, that states in ozone non-attainment areas need to incorporate into RACT

rules or justify not doing so. CTGs that the Department is considering adopting involve coatings and industrial cleaners containing VOC.

10. The Department stated that additional risk screening tools for diesel engines and dry cleaning facilities using perchloroethylene are under development and should be available for use by October. The risk screening tools are being designed to streamline the permitting process and better identify high risk situations so the applicant can take corrective action and avoid permit denial. Both tools take into consideration the unique characteristics of the source operation. The dry cleaner tool assumes 50% of the PERC is emitted from the stack and 50 % is emitted from a volume source. The diesel engine tool assumes a plume rise based on the design capacity of the engine. The risk screening tools are being designed to streamline the permitting process and make it easier for the applicant to identify, upfront, the controls necessary to avoid a high risk.

11. A comment was made that the Windows 7 software is not compatible with the Department's RADIUS software and that this makes it difficult to submit permit applications. The Department stated that it was aware of this problem and that the Department should be upgrading to Windows 7.

    FOLLOW-UP: The Department's Information Technology group has been contacted on the status of the Windows 7 integration. RADIUS been tested by Department Staff and will work with ALL versions of Microsoft Windows, both 32 and 64 bit operating systems. A ListServ message will be sent out to clarify this information.

12. A comment was made concerning potential competing requirements for boiler adjustments. The NESHAPS for area sources states the objective of the combustion adjustment is to minimize carbon monoxide (CO), while New Jersey RACT rules requires minimizing total emissions of Oxides of Nitrogen (NOx) and CO consistent with the manufacturer's specifications. The Commenter was aware that there is an inverse relationship between the two pollutants and minimizing CO can lead to higher NOx.

    An example provided was if the CO level measured at 8 ppm and the NOx level is 0.10 lb/MMBTU, should the facility adjust combustion to minimize the CO, knowing the NOx may increase up to the allowable of to 0.12 lb/MMBTU NOx?

    Alternately is lowering NOx emissions is more important to the Department because the entire state is non-attainment for ozone.

    FOLLOW-UP: The Department will discuss with the USEPA and provide clarification on this issue. At this time, the Department will follow the current NJ state procedure, which is clear and has withstood the test of time.

13. A request was made that the Department to develop a daily Listserv to advise whether air quality readings prohibited the testing of emergency generators.

    FOLLOW-UP: The Department stated that it would begin to examine the development of this type of Listserv announcement.

14. A question was raised if an interim Tier 4 engine could be used to generate non-emergency electricity if it did not meet the 0.90 grams per brake horsepower-hour (g/BHP-hr) of NOx. The concern is the owner/operator cannot retrofit the engine to meet the NOx level since it is sold as a certified package. The Department stated, except for engines which supply dedicated electrical power to a unique piece of portable equipment, the 0.90 gr/BHP-hr must be met for engines generating electricity. This level must be achieved since the Department has held large electrical generators to NOx emission levels equivalent to "0.90 gr/BHP-hr."