

**AIR RESOURCES COUNCIL
MINUTES OF MEETING #252
05/14/18**

MEMBERS PRESENT: Vice-Chairman David Collins, Mark Lambert, J. Ryan Bielagus, Elizabeth Tillotson, Deborah Chabot, Georgia Murray,

MEMBERS NOT PRESENT: Chairman Robert Duval, Kris Blomback

NHDES – ARD PERSONNEL: Craig Wright, Mike Fitzgerald, Evan Mulholland, Catherine Beahm, Ray Walters, Newton Strickland, Karla McManus, Gary Milbury.

OTHERS PRESENT: Shelley Marshall, and Appeals Clerk, Paula Scott

**MEMBERS OF
THE PUBLIC PRESENT:** David Cribbie, John Tuthill

Call to Order:

Vice Chairman David Collins called Meeting #252 of the Air Resources Council (ARC) to order at 9:03 a.m. on Monday, May 14, 2018. Vice Chairman Collins announced that a quorum of the ARC was present.

Approval of Minutes:

Mark Lambert entered a motion to accept the minutes of meeting #250. J. Ryan Bielagus seconded the motion. Elizabeth Tillotson entered a motion to accept the minutes of meeting #251. Deborah Chabot seconded the motion.

Division Activities and Legislative Update:

Vice Chairman Collins introduced Craig Wright, Director of the Air Resources Division (ARD). Director Wright briefly updated members of the ARC regarding issues relative to the ARD, including:

Permitting:

Director Wright reported on the following:

1. Wheelabrator Claremont Facility: Wheelabrator submitted a request on April 16th to cancel their Title V Operating Permit. Air Resource Division (ARD) staff will be reviewing all the reports to verify that they have satisfied all the requirements of their permit prior to termination of the permit.

2. Temporary (Construction) Permits: ARD has been processing a number of requests for new construction over the past couple of months. The most prominent one is:
- Hitchiner Manufacturing Expansion Project: Hitchiner Manufacturing submitted an application on April 23rd for the expansion of their investment casting operations at the Elm Street, Milford location. NHDES, Air Resources personnel conducted a technical review and drafted a permit which was sent on May 4th for the company to review. A public notice of the intent to issue the permit will be published in the newspaper on May 17th and includes a pre-scheduled public hearing which will take place on Tuesday, June 19th at 6:00 p.m. in the Board of Selectman’s Meeting Room, 1 Union Square, Milford, New Hampshire.

Status of Appeals

Paula Scott, Appeals Clerk briefly updated members of the two recent appeals to ARD, including:

Docket No. 18-01 ARC – Jane Marie Ingram Appeal

- On April 10, 2018 Hearing Officer was requested to be assigned. David Conley was appointed on April 12, 2018 by the Attorney General. April 10, 2018 issued Appeal Accepted letter. April 18, 2018 issued Notice of Pre-hearing Conference scheduled for May 21, 2018 at 11:30 a.m.

Docket No. 18-02 ARC- Anthony Caplin, et al Appeal

- Rescheduled Pre-hearing Conference was on May 4, 2018 at 9:00 a.m. May 4, 2018 issued Pre-hearing Order and received Permittee’s Pre-hearing Conference Memorandum.

Rules:

Karla McManus, Planning and Rules Manager
Evan Mulholland, Administrator IV ARD Compliance Bureau

Re: Env-A 700 amendments to the Permit Fee System

Evan Mulholland, Administrator IV and Karla McManus updated members of the ARC regarding issues relative to the readoption with amendments of Env-A 700, including:

ARD is proposing to amend Env-A 700, *Permit Fee System*. The purpose of this chapter is to establish a fee system requiring the payment of fees to cover the reasonable direct and indirect costs of permitting, administration, and compliance for the stationary source program. Due to changes in the regional electricity markets, emissions of regulated air pollutants have decreased significantly, which has resulted in a higher per ton emission-based fee in recent years. A detailed explanation of this effect was presented at a previous ARC meeting.

After months of meetings with stakeholders, ARD has proposed amending the rule to ensure a more equitable and sustainable basis for funding the stationary source program. Specifically, the proposed rule would reset the emission based fee and shift some of the necessary revenue to a new

annual administrative fee. The annual administrative fee would be set at \$500 for each source, but the following sources would be assessed a higher annual administrative fee, as follows:

- RTAP / VOC sources would pay a fee for each non-combustion RTAP / VOC emission unit (EU) consisting of \$500 per EU (with the first EU assessed a charge of \$750), up to a maximum of 10 units.
- Title V Landfills would be assessed an annual fee of \$25,000.
- Small (10-25MW) Electric Generating Units (EGUs) would be assessed an annual fee of \$25,000. Stand-alone single-cycle gas-fired generators would be excluded.
- Large (25-plus MW) Electric Generating Units (EGUs) would be assessed an annual fee of \$100,000. Nuclear EGUs would be excluded.

The proposed rule would provide that sources with zero emission and zero operations would be assessed only the across the board \$500 annual fee. Although these administrative fees are new, they do not increase the total revenue to be received by the Department. ARD projects that the 2018 emission fee will be approximately \$263 per ton of emissions, which is a 30% reduction from the \$377 per ton assessed in 2016. For many sources, especially less complex sources, this new proposal will result in a lower payment.

In response to industry comments regarding the pace of fee increases in recent years, the proposed rule includes a three-year rolling average to temper the effect of a changing emission inventory. Finally, the timeframe for payment has been altered from the existing rule to give sources adequate time to budget for and submit the required fee. The payment will be due by May 15 of the year, with the emission report due by April 15. More importantly, the rule mandates that ARD calculate and disseminate the dollar per ton fee rate by the previous September 15th, giving the sources a full two and a half quarters to budget for the fee. This proposed change was universally requested by the sources.

David Cribbie from Newington Energy was asked to comment by Vice Chairman Dave Collins of his thoughts about Env-A 700. David Cribbie stated that he feels that the Air Resource should seek additional revenue. They feel that vehicle registration fees should be reevaluated, that there is an opportunity of on road/off road source. David Cribbie feels that the six facilities should not be the on supporting the fees. Vice Chairman Dave Collins asked if David Cribbie or anyone else with Newington Energy has submitted his comments in writing, and David Cribbie's reply was no, but has drawn up a draft.

Mark Lambert motioned to table and wait another 30 days and review it again at the June 11, 2018 Air Council meeting. Ryan Bielagus second the motion. Vice Chairman Collins took a vote with the Air Council members present and the vote was 4 to 2 in favor to wait another 30 days.

Re: Proposed readoption of Env-A 800 Testing and Monitoring Procedures

Raymond Walters, Compliance Measurement & Data Program Manager and Karla McManus updated members of the ARC regarding issues relative to the readoption with amendments of Env-A800 including:

Env-A 800, *Testing and Monitoring Procedures*, is due to expire on October 31, 2018. The purpose of this chapter is to establish minimum testing and monitoring procedures, calculation procedures,

standards, and requirements in order to determine compliance with applicable state and federal statutes and rules. ARD is proposing to readopt Env-A 800 with the following changes:

- Clarification of pre-test, sampling, and report submittal procedures for conducting Relative Accuracy Test Audits (RATA) for recertifying Continuous Emission Monitoring (CEM) systems installed at stationary sources;
- Require that when compliance testing is conducted for either NO_x or CO, that testing be done for both gases;
- Simplify the non-compliance testing requirements for gaseous concentration measurements for NO_x-RACT subject devices and tune-ups, to be consistent with Federal testing requirements;
- Add definitions for 7-day, 30-day and 365-day rolling emissions averages, and specify how each average shall be calculated on a pound per hour or pound per million Btu basis;
- Remove language pertaining to time-shared CEM systems which are no longer installed at any NH sources;
- Modify quarterly audit requirements for continuous opacity monitors to follow 40 CFR 60 Appendix F, Procedure 3 procedures instead of following 40 CFR 60 Appendix B, Performance Specification 1 requirements (consistent with federal rule change); and
- Modify Env-A 800 language for the installation, operation and auditing of CEM systems to cover the inclusion of future federal NSPS and NESHAP requirements for CEM systems.

The proposed draft of this rule was emailed to stakeholders on April 10, 2018. We have received only positive feedback.

J. Ryan Bielagus motioned to approve a 15 day review of Env-A 800 and Deborah Chabot second the motion. All were in favor.

New Business

None

Other Business

None

Public Commentary

None

Adjourn

Having no further business to discuss, Vice Chairman David Collins suggested a motion to adjourn, moved by Mark Lambert and, seconded by Deborah Chabot. All were in favor. Meeting #252 of the Air Resources Council adjourned at 10:38 a.m. on Monday, May 14, 2018.