

ENGINEERING EVALUATION

Latham and Watkins, LLP

Plant: 20449

Application: 22674

505 Montgomery Street, San Francisco, CA 94111

BACKGROUND

Latham and Watkins, LLP has applied to obtain an Authority to Construct (AC) and/or a Permit to Operate (PO) for the following equipment:

**S-1 Emergency Standby Diesel Generator Set, Caterpillar D 150-8
 2010 Perkins Engine, Model: C6.6
 230 BHP, 1.47 MMBtu/hr**

The Emergency Diesel Engine Generator Set (S-1) is equipped with the best available control technology (BACT) for minimizing the release of air borne criteria pollutants and harmful air toxins due to fuel combustion. The criteria pollutants are nitrogen oxides (NO_x), carbon monoxide (CO), precursor organic compounds (POC) from unburned diesel fuel, sulfur dioxide (SO₂) and particulate matter (PM₁₀). POC from a combustion source is denoted as non-methane hydrocarbons (NMHC). All of these pollutants are briefly discussed on the District's web site at www.baaqmd.gov.

The engine meets the Environmental Protection Agency and California Air Resources Board (EPA/CARB) Tier 3 Off-road standard. The engine will burn commercially available California low sulfur diesel fuel. The sulfur content of the diesel fuel will not exceed 0.0015% by weight.

EMISSIONS

S-1 has been certified by CARB to be a cleaner burning engine. Except for SO₂, the emission factors for these engines are from the CARB Certification (CARB Executive Order # U-R-022-0152). The SO₂ emissions were calculated based on the maximum allowable sulfur content (0.0015 wt% S) of the diesel fuel with assumption that all of the sulfur present will be converted to SO₂ during the combustion process. The POC emission factor is assumed to be 5% of the total CARB's certified NO_x and POC (NMHC+NO_x) factor based on District Policy.

Basis:

230 hp output rating

50 hr/yr operation for testing and maintenance

10.7 gallons/hr max fuel use rate

NMHC + NO_x, CO and PM₁₀ emission factors provided by CARB Certification with Executive Order U-R-022-0152

POC is assumed to be 5% of NMHC + NO_x

NO_x is assumed to be 95% of NMHC + NO_x

SO₂ emissions are quantified based on the full conversion of 0.0015 wt% (~ 15 ppm) sulfur in the ULS diesel fuel.

The SO₂ emission factor was derived from EPA AP-42, Table 3.4-1.

Annual Emissions:

Annual emissions are calculated based on the number of hours per year of operation for testing and maintenance.

Daily Emissions:

Daily emissions are calculated to establish whether a source triggers the requirement for BACT (10 lb/highest day total source emissions for any class of pollutants). 24-hr/day of operation will be assumed since no daily limits are imposed on intermittent and unexpected operations.

Table 1

Pollutant	Emission Factor (g/kw-hr)	Emission Factor (g/hp-hr)	Annual Emissions (lb/yr)	Annual Emissions (TPY)	Max. Daily (lb/day)
NMHC+NOx	3.7	2.76			
NOx	3.52	2.62	66.42	0.0332	31.88
POC	0.19	0.14	3.50	0.0017	1.68
CO	1.5	1.12	28.34	0.0142	13.61
PM10	0.17	0.13	3.21	0.0016	1.54
SO2		0.001515	0.11	0.00006	0.05
		*lb SO2/MMBTU			

PLANT CUMULATIVE INCREASE

Table 2 summarizes the cumulative increase in criteria pollutant emissions that will result from the operation of S-1.

Table 2

Pollutant	Current Emissions (since April 5, 1991) (TPY)	Increase with this application (TPY)	Cumulative Emissions (Current + Increase) (TPY)
NOx	0.0	0.0332	0.0332
POC	0.0	0.0017	0.0017
CO	0.0	0.0142	0.0142
PM10	0.0	0.0016	0.0016
SO2	0.0	0.0001	0.0001

TOXIC RISK SCREENING ANALYSIS

This application required a Toxics Risk Screen because the diesel particulate emissions are greater than the toxic trigger level.

Toxic Pollutant Emitted	Emission Rate (lb/yr)	Risk Screening Trigger (lb/yr)
PM10 (Diesel Particulate)	3.21	0.34

S-1 meets Best Available Control Technology for toxics (TBACT) since the diesel particulate emissions are less than 0.15 g/bhp-hr. For an engine that meets the TBACT requirement, it must also pass the toxic risk screening level of less than ten in a million. Estimates of residential risk assume exposure to annual average toxic air contaminant concentrations occur 24 hours per day, 350 days per year, for a 70-year lifetime. Risk estimates for offsite workers assume exposure occurs 8 hours per day, 245 days per year, for 40 years. Risk estimates for students assume a higher breathing rate, and exposure is assumed to occur 10 hours per day, 36 weeks per year, for 9 years.

Based on 50 hours per year of operation, the emergency generator passed the Health Risk Screening Analysis (HRSA) conducted on August 5, 2010 by the District's Toxic Evaluation Section. The source poses no significant toxic risk, since the increased cancer risk to the maximally exposed receptor (resident) is 1.9 in a million with a hazard index of 0.00067. The increased cancer risk to workers is 0.93 in a million with a hazard index of 0.00066. For the students who attend Chinese Education Elementary School, the increased maximum cancer risk is negligible since the facility is not allowed to operate the diesel engine for non-emergency use, including testing and maintenance between 7:30 am and 3:30 pm on days when the school is in session. Thus, in accordance with Regulation 2, Rule 5, the screen passes, since the engine meets the TBACT requirement of 0.15 g/bhp-hr limitation for particulate emission.

BACT

In accordance with Regulation 2, Rule 2, Section 301, BACT is triggered for any new or modified source with the potential to emit 10 pounds or more per highest day of POC, NPOC, NO_x, CO, SO₂ or PM₁₀.

BACT is triggered for NO_x and CO since the maximum daily emissions of these pollutants exceeds 10 lb/day. Please refer to the discussion on “Daily Emissions” in page 1 of this evaluation. BACT for this source is presented in the current BAAQMD BACT/TBACT Workbook for IC Engine – Compression Ignition: Stationary Emergency, non-Agricultural, non-direct drive fire pump, Document # 96.1.3, Revision 6 dated 4/13/2009. For NO_x, BACT(2) is the current off-road tier standard for the horsepower. For CO, BACT(2) is 2.75 g/hp-hr. BACT(1) has not been determined.

S-1 meets the current tier emissions standard and is certified to Tier 3, and it emits 1.12 g/hp-hr of CO, so S-1 meets the current BACT requirements.

OFFSETS

Offsets must be provided for any new or modified source at a facility that emits more than 10 tons/yr of POC or NO_x per Regulation 2-2-302. Table 3 summarizes the increase in criteria pollutant emissions that will result from the operation of S-1.

Table 3

Pollutant	Current plant emissions (TPY)	Increase in plant emissions associated with this application (TPY)	Cumulative emissions (Current + Increase) (TPY)	Regulation 2-2-302 and 2-2-303 Offset Triggers (TPY)
NO _x	0	0.0332	0.0332	> 10; < 35
POC	0	0.0017	0.0017	> 10; < 35
CO	0	0.0142	0.0142	NA
PM ₁₀	0	0.0016	0.0016	> 1*
SO ₂	0	0.0001	0.0001	> 1*

*Applies to major facilities with a cumulative increase, minus contemporaneous emission reduction credits, in excess of 1 ton/year since April 5, 1991.

It can be seen from Table 3 above that S-1 does not trigger any offset. Therefore, offsets are not warranted for any emission.

NSPS

The engine is subject to 40 CFR 60, Subpart IIII, Standards of Performance for Stationary Compression Ignition Internal Combustion Engines because it was manufactured after April 1, 2006, as required by Section 60.4200(a)(2)(i).

The engine has a total displacement of 6.6 liters and has 6 cylinders, so each cylinder has a volume of less than 10 liters. The engine is a 2010 model year engine and is not a fire pump. Section 60.4205(b) requires these engines to comply with the emission standards in Section 60.4202, which refers to 40CFR89.112 and 40CFR89.113 for all pollutants. For engines greater than 75 hp and less than 100 hp, these standards are:

NMHC+NO_x: 3.0g/hp-hr

CO: 2.6 g/hp-hr

PM: 0.15g/hp-hr

20% opacity during acceleration mode

15% opacity during lugging mode

50% opacity during peaks in acceleration or lugging mode

According to CARB Executive Order U-R-022-0152, the engine will comply with the standards.

Sections 60.4206 and 60.4211(a) require that the owner/operator operate and maintain the engine according to the manufacturer's written instructions or procedures developed by the owner or operator that are approved by the engine manufacturer, over the entire life of the engine. The owner/operator is expected to comply with this requirement.

Section 60.4207(a) requires that by October 1, 2007, the owner/operator must use fuel that complies with 40 CFR 80.510(a). This means that the fuel must have a sulfur content of 500 parts per million (ppm) maximum, a cetane index of 40 or a maximum aromatic content of 35 volume percent. The owner/operator is expected to comply with this requirement because CARB diesel is required to be used in California.

Section 60.4207(b) requires that by October 1, 2010, the owner/operator must use fuel that complies with 40 CFR 80.510(b). This means that the fuel must have a sulfur content of 15 parts per million (ppm) maximum, and the same cetane index or aromatic content as above. The owner/operator is expected to comply with this requirement because CARB diesel is required to be used in California.

Section 60.4209(a) requires a non-resettable hour meter. This requirement is already in the standard permit conditions.

The engine will comply with the requirements of Section 60.4211(c) because it has been certified in accordance with 40 CFR Part 89.

The engine will comply with the requirement in Section 60.4211(e) to run for less than 100 hours per year for maintenance checks and readiness testing, and the prohibition of running for any reason other than emergency operation, maintenance, and testing because they are limited by permit condition to 50 hours per year for reliability testing and otherwise may only operate for emergencies.

The owner/operator is not required to perform tests in accordance with Section 60.4212 or 60.4213.

Section 60.4214 states that owner/operators do not have to submit an initial notification to EPA for emergency engines.

Because the engine does not have a diesel particulate filter, the owner/operator is not subject to Section 60.4214(c).

The owner/operator is required to comply with certain sections of 40 CFR 60, Subpart A, General Provisions. The owner/operator is expected to comply with this requirement.

NESHAP

This engine is not subject to the emission or operating limitations in 40 CFR 63, Subpart ZZZZ, National Emission Standards for Hazardous Air Pollutants for Stationary Reciprocating Internal Combustion Engines, because it is an emergency stationary reciprocating internal combustion engine (40 CFR 63.6600(c)).

CARB STATIONARY DIESEL ENGINE ATCM

The State Office of Administrative Law approved the Airborne Toxic Control Measure (ATCM) on November 8, 2004. State law requires the local Air Districts to implement and enforce the requirements of the ATCM. Effective January 1, 2005, there is a prohibition on the operation of new diesel emergency standby engines greater than 50 bhp unless the following operating requirements and emission standards are met:

“Stationary Diesel Engine ATCM” section 93115, title 17, CA Code of Regulations.

Diesel PM – General Requirements

1. Meet 0.15 g/bhp-hr PM standard
2. Operate 50 hours per year, or less, for maintenance and testing (except emergency use and emissions testing)

or

1. Meet 0.01 g/bhp-hr PM standard
2. Operate up to 100 hours per year for maintenance and testing (except emergency use and emissions testing), upon approval by the District.

HC,NO_x, NMHC+NO_x, CO

1. Meet standards for off-road engines of the same model year and horsepower rating as specified in the OFF-Road Compression Ignition Engine Standards;
or if no standards have been established
2. Meet the Tier 3 standards for an off-road engine for the same maximum rated power.

This emergency standby diesel engine (S-1) is in compliance with the above ATCM requirements. The diesel engine will operate for no more than 50 hours per year for maintenance and reliability testing. This engine is subject to the Tier 3 off-road CI engine standards for HC, NO_x, NMHC+NO_x and CO. As shown in the Table 4, the engine meets these requirements.

Table 4. ATCM Tier 3 Compliance

	Manufacturer Certified g/bhp-hr	ATCM Tier 3 g/bhp-hr
NMHC+NO _x	2.76	3.0
NO _x	N/A	N/A
NMHC (POC)	N/A	N/A
CO	1.12	2.6
PM	0.13	0.15

STATEMENT OF COMPLIANCE

Source S-1 is subject to and expected to be in compliance with the requirements of District Regulation 1-301 (*Public Nuisance*), Regulation 6-1-303 (*Particulate Matter and Visible Emissions*), Regulation 9-1 (*Sulfur Dioxide*) and Regulation 9-8 (*NO_x and CO from Stationary Internal Combustion Engines*). In order to ensure compliance with the requirements of these regulations, the facility will be conditionally permitted to meet the requirements.

From Regulation 1-301, no person shall discharge from any source whatsoever such quantities of air contaminants or other material which cause injury, detriment, nuisance or annoyance to any considerable number of persons or the public; or which endangers the comfort, repose, health or safety of any such persons or the public, or which causes, or has a natural tendency to cause, injury or damage to business or property. For purposes of this section, three or more violation notices validly issued in a 30 day period to a facility for public nuisance shall give rise to a rebuttable presumption that the violations resulted from negligent conduct.

S-1 is subject to the limitations of Regulation 6-1-303 (*Particulate Matter*). Regulation 6, Rule 1, Section 303 states that a person shall not emit for a period or periods aggregating more than three minutes in any hour, a visible emission that is as dark or darker than No. 2 on the Ringelmann Chart, or of such opacity as to obscure an observer's view to an equivalent or greater degree, nor shall said emission, as perceived by an opacity sensing device in good working order, where such device is required by District Regulations, be equal to or greater than 40% opacity. This low PM10 emitting engine is not expected to produce visible emissions or fallout in violation of this regulation, and it will be assumed to be in compliance with Regulation 6 pending a regular inspection.

S-1 is also subject to the SO₂ limitations of Regulation 9-1-301 (*Limitations on Ground Level Concentrations of Sulfur Dioxide*), Regulation 9-1-302 (*Limitations Sulfur Dioxide Emissions*) and 9-1-304 (*Burning of Solid and Liquid Sulfur Dioxide Fuel*). From Regulation 9-1-301, the ground level concentrations of SO₂ will not exceed 0.5 ppm continuously for 3 consecutive minutes or 0.25 ppm averaged over 60 consecutive minutes, or 0.05 ppm averaged over 24 hours. Per Regulation 9, Rule 1, Section 302, a person shall not emit from any source a gas stream containing sulfur dioxide in excess of 300 ppm (dry). And Regulation 9, Rule 1, Section 304, states that a person

shall not burn any liquid fuel having sulfur content in excess of 0.5% by weight. Compliance with Regulation 9, Rule 1 is very likely since diesel fuel with a 0.0015% by weight sulfur is mandated for use in California.

From Regulation 9, Rule 8 (*NOx and CO from Stationary Internal Combustion Engines*), Section 110.5 (*Emergency Standby Engines*), S-1 is exempt from the requirements of Regulations 9-8-301 (*Emission Limits on Fossil Derived Fuel Gas*), 9-8-302 (*Emission Limits on Waste Derived Fuel Gas*), 9-8-303 (*Emissions Limits – Delayed Compliance, Existing Spark-Ignited Engines, 51 to 250 bhp or Model Year 1996 or Later*), 9-8-304 (*Emission Limits – Compression-Ignited Engines*), 9-8-305 (*Emission Limits – Delayed Compliance, Existing Compression-Ignited Engines, Model Year 1996 or Later*), 9-8-501 (*Initial Demonstration of Compliance*) and 9-8-503 (*Quarterly Demonstration of Compliance*). However, it is subject to the monitoring and record keeping procedures described in Regulation 9-8-530 (*Emergency Standby Engines, Monitoring and Recordkeeping*). The requirements of this Regulation are included in the permit conditions below.

S-1 is also subject to and expected to comply with Regulation 9-8-330 (*Emergency Standby Engines, Hours of Operation*) since non-emergency hours of operation will be limited in the permit conditions to 50 hours per year.

This application is considered to be ministerial under the District's Regulation 2-1-311 and therefore is not subject to CEQA review. The engineering review for this project requires only the application of standard permit conditions and standard emission factors in accordance with Permit Handbook Chapter 2.3.

This facility is within 1000 feet from the nearest school and therefore is subject to the public notification requirements of Regulation 2-1-412. A public notice will be prepared and sent to all addresses within 1000 feet of the diesel generator set and parents and guardians of students of the following school(s):

Chinese Education Elementary School
657 Merchant St, San Francisco, CA 94111

PSD is not triggered.

PERMIT CONDITIONS

COND# 22850 -----

1. The owner/operator shall not exceed 50 hours per year per engine for reliability-related testing.
[Basis: "Stationary Diesel Engine ATCM" section 93115, title 17, CA Code of Regulations, subsection (e)(2)(A)(3) or (e)(2)(B)(3)]
2. The owner/operator shall operate each emergency standby engine only for the following purposes: to mitigate emergency conditions, for emission testing to demonstrate compliance with a District, State or Federal emission limit, or for reliability-related activities (maintenance and other testing, but excluding emission testing). Operating while mitigating emergency conditions or while emission testing to show compliance with District, State or Federal emission limits is not limited.
[Basis: "Stationary Diesel Engine ATCM" section 93115, title 17, CA Code of Regulations, subsection (e)(2)(A)(3) or (e)(2)(B)(3)]
3. The owner/operator shall operate each emergency standby engine only when a non-resettable totalizing meter (with a minimum display capability of 9,999 hours) that measures the hours of operation for the engine is installed, operated and properly maintained.
[Basis: "Stationary Diesel Engine ATCM" section 93115, title 17, CA Code of Regulations, subsection(e)(4)(G)(1)]
4. Records: The owner/operator shall maintain the following monthly records in a District-approved log for at least 36 months from the date of entry (60 months if the facility has been issued a Title V Major Facility

Review Permit or a Synthetic Minor Operating Permit). Log entries shall be retained on-site, either at a central location or at the engine's location, and made immediately available to the District staff upon request.

- a. Hours of operation for reliability-related activities (maintenance and testing).
- b. Hours of operation for emission testing to show compliance with emission limits.
- c. Hours of operation (emergency).
- d. For each emergency, the nature of the emergency condition.
- e. Fuel usage for each engine(s).

[Basis: "Stationary Diesel Engine ATCM" section 93115, title 17, CA Code of Regulations, subsection (e)(4)(I), (or, Regulation 2-6-501)]

5. At School and Near-School Operation: If the emergency standby engine is located on school grounds or within 500 feet of any school grounds, the following requirements shall apply: The owner/operator shall not operate each stationary emergency standby diesel-fueled engine for non-emergency use, including maintenance and testing, during the following periods:
- a. Whenever there is a school sponsored activity (if the engine is located on school grounds)
 - b. Between 7:30 a.m. and 3:30 p.m. on days when school is in session. "School" or "School Grounds" means any public or private school used for the purposes of the education of more than 12 children in kindergarten or any of grades 1 to 12, inclusive, but does not include any private school in which education is primarily conducted in a private home(s). "School" or "School Grounds" includes any building or structure, playground, athletic field, or other areas of school property but does not include unimproved school property.

[Basis: "Stationary Diesel Engine ATCM" section 93115, title 17, CA Code of Regulations, subsection (e)(2)(A)(1)] or (e)(2)(B)(2)]

RECOMMENDATION

Issue an Authority to Construct and/or a Permit to Operate to **Latham and Watkins, LLP** for:

- S-1 Emergency Standby Diesel Generator Set, Caterpillar D 150-8
2010 Perkins Engine, Model: C6.6
230 BHP, 1.47 MMBtu/hr**

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