

July 15, 2004

Ms. Deborah Jordan
Director, Air Management Division
United States Environmental Protection Agency
75 Hawthorne Street
San Francisco, CA 94105

Subject: Minor Revision to City of Palo Alto Landfill Major Facility Review

Dear Ms. Jordan:

This is to advise you that the Bay Area Air Quality Management District is proposing a minor revision to the Major Facility Review Permit for City of Palo Alto Landfill, Facility Number A2721, and is submitting the permit to EPA for review.

The purpose of this permit revision is to modify the permit conditions for two diesel engines, source S-6 rated at 860 Bhp and source S-8 at 96 Bhp, used in a wood recycling operation. The NO_x, CO, and POC emission rate limits established under the original permit application for these engines were inadvertently set too low. These limits reflected expected emission rates originally provided by the permit applicant from the engine manufacturer. However, these emission limits were below the appropriate BACT levels. A source test at one of these engines indicated that the engine was not meeting the current permitted emission rate but that it would comply with the appropriate BACT standards. There is no basis for imposing limits that are more stringent than the BACT standards. The District is proposing to increase the NO_x, CO, and POC limits to the current BACT standards for a small compression ignition engine (S-8) or a compression ignition engine with a limited annual fuel usage throughput (S-6), as specified in the BACT/TBACT Workbook (BACT2). Potential emission increases for this minor permit revision are: 1.54 tons/year of CO, and 1.25 tons/year of POC. The NO_x emission potential is reduced by 4.4 tons per year. The total emissions for S-6 and S-8 based on the change of condition limits are 2.5 tons per year of CO, 1.37 tons/year of POC, and 6.28 tons per year of NO_x.

This proposed permit condition change does not constitute a significant revision under BAAQMD Regulations 2-6-201, 2-6-215 and 2-6-226. This action constitutes a minor permit revision for the following reasons:

- 1) The emission increases are less than the 40 CFR Parts 51 and 52 major modification thresholds.
- 2) The engines are not subject to NSPS, NESHAPS, or Section 112 of the Clean Air Act.
- 3) The proposed revisions will not change any monitoring, recordkeeping, or reporting requirements.
- 4) The condition changes will not allow the facility to avoid applicable requirements of the Clean Air Act.
- 5) The proposed emission limits do not constitute the establishment of or change to a case-by-case determination of an emission limit, because the original emission limits were established in error and the proposed limits are from general BACT determinations that have been found to be appropriate for these source types.

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Jack P. Broadbent
EXECUTIVE OFFICER/APCO

- 6) The proposed revision does not establish or change a facility-specific determination for ambient impacts, visibility analysis, or increment analysis.
- 7) The proposed revision does not involve the incorporation of any requirements promulgated by EPA.

The facility has discontinued operation of the S-6 and S-8 Diesel Engines until these permit limit issues are resolved. With the proposed NOx, CO and POC emission limits in place, S-6 and S-8 are expected to comply with all applicable requirements.

The following changes have been made to the permit:

- For S-6, reduce the diesel fuel usage from 72,962 gallons per year to 35,000 gallons per year.
 - For S-6, revised the POC, NOx, and CO emission limits up to the BACT limits in Condition # 20477, Parts 3, 4, and 5 and in Table VII-C.
 - For S-6, changed the basis for the POC and CO emission limits from Cumulative Increase to BACT in Condition # 20477, Parts 3 and 5 and in Table IV-C.
 - For S-8, revised the POC, NOx, and CO emission limits up to the BACT limits in Condition # 20479, Parts 3, 4, and 5 and in Table VII-E.
 - For S-8, changed the basis for the POC and CO emission limits from Cumulative Increase to BACT in Condition # 20479, Parts 3 and 5 and in Table IV-E.
 - Updated Section X, Revision History.

All changes are shown in strikeout/underline format.

The District will address any EPA comments and issue the modified permit after the EPA 45-day review period.

A copy of the proposed revisions to the Major Facility Review Permit and the engineering evaluation for Application #9783 are enclosed for your review and comment. This letter and the engineering evaluation constitute the statement of basis for this minor permit revision. If you have any questions on this matter, please call **Steve Hill, Air Quality Engineering Manager, at (415) 749-4673.**

Sincerely,

Jack Broadbent
Executive Officer/Air Pollution Control Officer

JB:BFB:myl

Enclosures:

Engineering Evaluation of Application # 9783
Proposed MFR Permit for Site # A2721

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