

FILED

JUN 20 2012

HEARING BOARD
BAY AREA AIR QUALITY
MANAGEMENT DISTRICT
Sean Gallagher
Clerk of the Boards
Bay Area Air Quality
Management District

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BEFORE THE HEARING BOARD
OF THE
BAY AREA AIR QUALITY MANAGEMENT DISTRICT
STATE OF CALIFORNIA

In the Matter of the Application of)
)
GILROY ENERGY CENTER, LLC) No. 3635
)
For a Variance from Permit to Operate) ORDER GRANTING
Condition 18102, Part 19.2) EMERGENCY VARIANCE
_____)

The above-entitled matter, being an Application for Variance from the provisions of Permit Condition 18102, Part 19.2, having been filed on June 6, 2012, at 4:21 p.m., and having been considered by the Hearing Board:

THE HEARING BOARD STATES as the reasons for its decision and FINDS as to those matters in which findings are required:

1. Applicant filed this Application for Variance under the Emergency Variance procedures, Hearing Board Rules, Section 2.5. Pursuant to Health and Safety Code Sections 42359 and 42359.5, the Hearing Board determined that this Application properly could be ruled upon without notice and hearing. Prior to making this determination, and in accordance with Hearing Board Rules Section 2.5.d.2, the Hearing Board requested and received a response to this Application from the Air Pollution Control Officer for the Bay Area Air Quality Management District (Air District). That response recommended the Emergency Variance be granted.

1 2. Applicant operates an electricity generating facility located at 1400 Pacheco Pass
2 Highway, Gilroy, California 95020.

3 3. Non-compliance with the ammonia slip limit was discovered by an independent
4 party during engineering pre-testing conducted for ammonia slip. On June 4, 2012, Unit S-3
5 exceeded ammonia slip limits during the Low Load single point ammonia slip engineering pre-
6 test. On June 5, 2012, Unit S-4 exceeded ammonia slip limits during the High Load single point
7 ammonia slip engineering pre-test. As a result, Applicant was unable to comply with the
8 applicable permit condition.

9 4. Applicant estimated this defect can be repaired by July 4, 2012 at 4:20 p.m.

10 5. This Variance will not cause injury, detriment, nuisance, or annoyance to any
11 considerable number of persons or to the public, or endanger the comfort, repose, health or safety
12 of any such persons or the public, or cause or have a natural tendency to cause injury or damage to
13 business or property.

14 6. Due to conditions beyond the reasonable control of Applicant, requiring compliance
15 with said Permit Condition 18102, Part 19.2, limiting the emission of air contaminants would
16 result in an arbitrary and unreasonable taking of property and the practical closing and elimination
17 of a lawful business activity of Applicant, without a sufficient corresponding benefit in the
18 reduction of air contaminants.

19 7. Applicant will curtail operations until repairs are made.

20 8. During the period the variance is in effect, Applicant will reduce excess emissions
21 to the maximum extent feasible.

22 THEREFORE, THE HEARING BOARD ORDERS:

23 A Variance from Permit Condition 18102, Part 19.2, be and is hereby granted from
24 June 6, 2012, at 4:21 p.m., to and including July 4, 2012, at 4:20 p.m., conditioned upon the
25 following:

26 Gilroy Energy Center, LLC, shall prepare a report for each source containing:

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1. Engineering pre-testing summary to show that the ammonia slip appeared to be excessive;
2. Engineering evaluation to determine repairs necessary to reduce ammonia slip to an acceptable level in Permit Condition 18102, Part 19.2;
3. Repairs actually made including approximate costs and date of completion;
4. Testing results to confirm compliance;
5. Any operational and maintenance changes to increase system reliability (maintain ammonia slip within permitted limits); and
6. Quantify excess ammonia emissions during emergency variance period.

DATED: June 20, 2012



Christian Colline, P.E.
Hearing Board Member