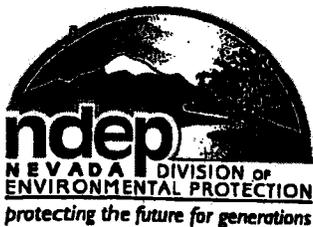


EXHIBIT R

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STATE OF NEVADA

Department of Conservation & Natural Resources
DIVISION OF ENVIRONMENTAL PROTECTION

Brian Sandoval, Governor

Leo M. Drozdoff, P.E., Director

Colleen Cripps, Ph.D., Administrator

May 12, 2011

Gerardo Rios
Chief, Permits Office
U.S. Environmental Protection Agency
Region 9
75 Hawthorne Street
San Francisco, CA 94105

**Re: NDEP-NBAPC Response to Comments - Application for Significant Revision
Draft Revised Class I Air Quality Operating Permit AP4953-1148.01
Refuse, Inc. Lockwood Regional Landfill, Storey County, NV (FIN A0018)**

Dear Mr. Rios:

The Nevada Division of Environmental Protection - Bureau of Air Pollution Control (NBAPC) has reviewed comments from U.S. EPA Region 9 on the draft revised Class I Air Quality Operating Permit AP4953-1148.01 for the Lockwood Regional Landfill. The Lockwood Regional Landfill (LRL) is operated by Refuse, Inc. The comment letter from U.S. EPA Region 9 was dated March 29, 2011. The NBAPC forwarded EPA's comments to SCS Engineers, consultant for Refuse, Inc.

In brief, the application for revision submitted by Refuse, Inc. included the addition of three new internal combustion engines combusting landfill gas for electricity generation. The NBAPC is providing the following responses to your comments.

NBAPC Response to EPA Comment 1 – Significant Revision and Synthetic Minor Source Status
“Applicable federal requirements for stationary sources of air pollution may differ significantly depending on whether a stationary source is classified as a major source of criteria pollutant emissions. For those sources where emission estimates and/or emission limits are relatively close to the federal major source thresholds, EPA encourages a 5-10% buffer between the permitted emission limits and the federal threshold.”

We have identified estimated emissions of certain pollutants that are within a margin of less than 5% of the federal annual threshold limits. These limits include the Prevention of Significant Deterioration (PSD) major source threshold (MST) of 250 tons per year (tpy) for carbon monoxide (CO). Moreover, in the Technical Review, NDEP has determined that because LRL will not exceed the MST for CO, it is not a PSD major source of CO, and therefore not subject to PSD review. Although the facility-wide emission limit of 249.0 tpy for CO is enumerated in the permit, the permit should also state that if this limit is relaxed at any time, the facility will be subject to the requirements of 40 Code of Federal Regulations (CFR) 52.21(r)(4). In addition, if the 249.0 tpy limit is exceeded, the facility may trigger PSD requirements and may be treated as a source that should have obtained a PSD permit for CO.”
EPA Region 9



The NBAPC carefully considered your suggestions, but believes that it is appropriate to rely on continuous emissions monitoring to demonstrate compliance with the facility-wide emission limit of 249.0 tpy for CO. The consequences of exceeding the CO emission cap and the PSD threshold of 250 tpy are established in regulation, and do not need to be inserted in the permit. Moreover, an exceedance of either threshold may only represent a violation subject to appropriate enforcement action.

NBAPC Response to EPA Comment 2 – Condensable Particulate Matter (PM_{2.5})

“Accurate emissions inventories are critical for regulatory agencies to develop control strategies and demonstrations necessary to attain and maintain air quality standards. EPA has completed the revision of Test Method 202— Condensable Particulate Matter, and the transition period allowing for the exclusion of condensable PM ended on January 1, 2011, 40 C.F.R. 52.2 1(b)(50)(vi). Therefore, permits issued by NDEP for major sources should quantify condensable PM emissions, and in particular condensable PM 2.5 emissions.”

The NBAPC has not yet adopted Test Method 202, as revised in December 2010, or the PM_{2.5} NAAQS into its administrative regulations. The PM_{2.5} standard currently applies only to new or modified major stationary sources subject to PSD permitting requirements.

In accordance with current requirements, the NBAPC inventoried PM emissions to verify the status of the facility as a result of the proposed action. The facility-wide potential-to-emit (PTE) for PM₁₀ under the revised permit is less than 22 tons per year, well below both the Title V and PSD major source thresholds. Assuming all PM_{2.5} equals PM₁₀, the proposed project – that is, the addition of three new LFG engines – results in an increase of only 6.5 tons per year PM₁₀ or PM_{2.5}, well below the PSD significant emissions level of 10 tons per year for PM_{2.5}. The inventory is appropriately referenced in the revised technical review.

NBAPC Response to EPA Comment 3 – Greenhouse Gas (GHG) Emissions

“The proposed LRL permit does not quantify GHG emissions resulting from the modification of the facility. PSD permitting requirements apply to GHG emissions from sources subject to PSD permitting requirements as of January 2, 2011 as stated in “Reconsideration of Interpretation of Regulations that Determine Pollutants Covered by Clean Air Act Permitting Programs” (75 FR 17004) (April 2, 2010). In addition, existing sources that have the potential to emit 100,000 TPY carbon dioxide equivalent emissions (CO_{2e}) or more and experience a modification increasing its CO_{2e} emissions by 75,000 TPY or more that begin actual construction, as defined in 40 CFR 52.21(b)(11), after July 1, 2011 may do so only after obtaining a PSD permit. Without a quantification of GHG emissions, it is difficult to determine whether the following modification would make LRL subject to the GHG requirements. Although EPA’s proposed action entitled “Deferral for CO₂ Emissions From Bioenergy and Other Biogenic Sources Under the Prevention

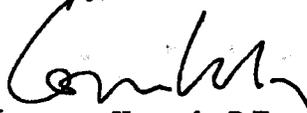
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of Significant Deterioration (PSD) and Title V Programs: Proposed Rule" (76 FR 15249) (March 21, 2011) likely applies to this source and modification, it is important to note that this deferral applies to only CO2 emissions and has not been finalized as of the date of this letter."

The proposed modification is not subject to PSD permitting requirements under Step 1 of the GHG Tailoring Rule. The NBAPC understands that a delay in construction until after June 30 might cause LRL to be subject to the Rule's GHG permitting requirements. Unless and until such a delay occurs, however, the NBAPC does not find it necessary that LRL submit an evaluation of GHG emissions to demonstrate that the proposed modification will not trigger PSD permitting requirements.

The NBAPC welcomes the opportunity to address EPA's concerns. Please find attached a copy of revised Class I (Title V) Air Quality Operating Permit AP4953-1148.01 for the Lockwood Regional Landfill, and the amended NBAPC Technical Review. If you have any questions, please contact Pat Mohn of my staff at (775) 687-9345, or pmohn@ndep.nv.gov.

Sincerely,



Lawrence Kennedy, P.E.
Chief, Bureau of Air Pollution Control

LPK/pam

Enclosures: (1) Class I (Revised) AQOP AP4953-1148.01.
(2) Amended NBAPC Technical Review, April 2011.

Cc (no encl.): William Carr, District Manager, Refuse, Inc., 2401 Canyon Way, Sparks, Nevada 89434
Patrick S. Sullivan, Senior Vice President, SCS Engineers, 3900 Kilroy Airport Way, Suite 100; Long Beach, CA 90806-6816.

Route: Mike Elges, NDEP
Pat Mohn, NDEP

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