

SUMMARY OF WORKSHOP COMMENTS AND QUESTIONS

Public Workshop on Amendments to NAC 445B AIR CONTROLS: AIR POLLUTION

Carson City, November 8, 2007
2:00 PM

Petition 2007-07 (LCB File No. R143-07)

Question (Joseph Johnson, jj935@juno.com): What is EPA's main issue(s) with the Nevada Clean Air Mercury Rule (CAMR) State Plan?

Agency Answer: The basic issue EPA has is with the "true-up" provision, which is designed to give mercury budget sources the amount of mercury allowances that matches exactly the amount of mercury that their mercury budget units have emitted in a particular control period. EPA has a problem with the requirement for a source to transfer allowances that exceeded actual emissions back to the incentive account after the control period has ended. [They claim that this restricts trading in the national cap and trade program and is inconsistent with the allocation timing requirements of CAMR.] Today's petition does not address that aspect of the Nevada CAMR State Plan; the proposed amendments deal with relatively minor technical concerns.

Question (Charles Lawson, SGID, 775-629-0849): Can you define an allowance, please.

Agency Answer: One ounce of mercury emitted into the air.

Petition 2007-06 (LCB File No. R142-07)

Question (Charles Lawson, SGID, 775-629-0849): Can you explain the revision to the Class III definition?

Agency Answer: When EPA promulgated a performance standard for Stationary Compression Ignition (CI) Internal Combustion Engines (ICE) (Part 60 Subpart IIII), they did not put a lower limit on the size of engine it applied to. The way Nevada's Class III source definition is written, that meant that every source with a new, modified or reconstructed CI ICE would have to apply for and obtain at least a Class II permit. This would include, for example, businesses with stand-alone emergency or backup generators. NDEP feels that the time and cost required in obtaining a Class II permit for stationary CI ICEs that do not exceed 750 horsepower would impose undue hardship on business/industry. The proposed regulation alleviates this hardship.

Question (Joseph Johnson, jj935@juno.com): NDEP is proposing to change the second and third offenses of the fugitive dust regulation from major to minor violations, with a third violation costing \$2000. I was wondering if you knew how many settlements for fugitive dust

violations exceeded \$2000 during the 3 or 4 year period that second and third offenses were major violations.

Agency Answer: Historically these offenses have been categorized as minor. In June 2003, the SEC adopted a temporary regulation increasing the fines for minor violations. When LCB reviewed the temporary regulation in the process of adopting it as permanent, they discovered that State law (NRS 445B.640) put a cap of \$500 on the maximum amount allowed for a minor violation. In the temporary regulation, the fines for the second and third offenses for fugitive dust exceeded \$500, so the regulation was amended to make these offenses major violations (April 2004). In 2007, the NRS was amended to increase the maximum allowable fine for a minor violation to \$2000. Consequently, NDEP is proposing to go back to making the second and third offenses of the fugitive dust regulation minor offenses, but increasing the amounts from what they used to be.

In the period when the second and third offenses of the fugitive dust regulations were major violations, settlements were still made in accordance with the schedule for minor violations. So, there were not likely to have been any settlements more than \$2000. In addition, resetting the second and third offenses to minor is consistent with the legislature's intent for the SEC to establish fines for minor violations. The provision that the 4th violation in a 5 year period becomes a major violation remains in the regulation.

Question (William Carr, Waste Management, Sparks, wcarr@wm.com): What is the date for reporting greenhouse gases (GHGs) to the registry?

Agency Response: Facilities will begin by submitting data for the year 2008. The Climate Registry (TCR) requires that this data be submitted by June 30, 2009. The proposed regulations require that facilities notify NDEP by July 1, 2009 and July 1 of each year thereafter that the report for the preceding year was submitted to TCR as required.

Question (Joseph Johnson, jj935@juno.com): How will NDEP be able to do an emission inventory (EI) of GHGs by December 31, 2008 when power companies don't have to begin submitting emissions data until mid-2009?

Agency Answer: The first EI will most likely be built off of information in the *Center for Climate Strategies* report. Due to staff constraints, the focus will primarily be on updating the major emitting sectors such as the power sector.

Question (Joseph Johnson, jj935@juno.com): Will Southern California Edison (SCE) be able to claim GHG reduction credits for the shutdown of the Mohave plant?

Agency Answer: The registry is just a data set where SCE records GHG emissions; how the data gets used remains to be seen.

Question (Joseph Johnson, jj935@juno.com): Will NDEP be developing further GHG regulations, e.g., to create a cut-off point for how far back in time utilities can claim GHG reduction credits?

Agency Answer: At this point NDEP feels it is premature to propose further regulations without guidance from the Legislature and the Governor's office. The next Legislative session may address GHG reduction credits; there is also the possibility that the federal government will provide national direction within a couple of years.