

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

September 4, 2013

Kevin Geraghty
Vice President, Energy Supply
NV Energy
6226 West Sahara Avenue M/S 25
Las Vegas, NV 89146

RE: Notice of Alleged Air Quality Violation and Order No. 2452
Class I Air Quality Operating Permit AP4911-0897 (FIN A0379)

Dear Mr. Geraghty:

The Nevada Division Environmental Protection, Bureau of Air Pollution Control (NDEP-BAPC) alleges that NV Energy, Reid Gardner Generating Station (NV Energy) has violated a condition of their Class I Air Quality Operating Permit AP4911-0897 (FIN A0379).

On August 12, 2013, the NDEP-BAPC held an enforcement conference with NV Energy to discuss the supporting information regarding the draft Notice of Alleged Violation and Order (NOAV) dated July 29, 2013. Based on the information presented during the conference, the NDEP-BAPC has determined that issuance of NOAV No. 2452 is warranted. Failure to comply with a permitted emission limit constitutes a violation of **Nevada Administrative Code (NAC) 445B.275 Violations: Acts constituting; notice** (see below).

NAC 445B.275 Violations: Acts constituting; notice states, in part, that: "1. Failure to comply with any requirement of NAC 445B.001 to 445B.3791, inclusive, any applicable requirement or any condition of an operating permit constitutes a violation. As required by NRS 445B.450, the Director shall issue a written notice of an alleged violation to any owner or operator for any violation, including, but not limited to:

- (c) Failure to construct or operate a stationary source in accordance with any condition of an operating permit.

The attached NOAV No. 2452 constitutes a major violation as defined by Section 2 of **NAC445B.281 Violations: Classification; administrative fines**. NOAV No. 2452 is the second NOAVs issued to NV Energy in the past 60 months.

As was discussed during the conference, the NDEP-BAPC makes recommendations to the Nevada State Environmental Commission (SEC) as to what an appropriate penalty may be for major air quality violations. The NDEP will be recommending a penalty of \$11,255 for NOAV No. 2452.

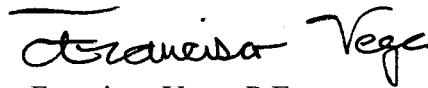


NV Energy
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An appeal of NOAV No. 2452 may be requested pursuant to **Nevada Revised Statutes (NRS) 445B.360** and SEC administrative rules. A copy of SEC Appeal Form #3 is enclosed. Appeals must be received within 10 days of receipt of this notice, pursuant to **NRS 445B.340**. Appeals are processed through John Walker, the Executive Secretary for the SEC, at 901 South Stewart Street, Suite 4001, Carson City, Nevada, 89701-5249. Mr. Walker can be reached at 775-687-9308, or by fax at 775-687-5856. Please provide me with a copy of any correspondence your company may have with the SEC.

If you have any questions regarding the alleged violations or the enforcement conference, please call me at (775) 687-9343.

Sincerely,



Francisco Vega, P.E.
Supervisor, Compliance and Enforcement Branch
Bureau of Air Pollution Control

FV/mt

enc.: 1. Notice of Alleged Air Quality Violation and Order No. 2452
2. SEC Appeal Form #3

cc (w/enc. 1): John Walker, SEC
Clark County Board of Commissioners
Francisco Vega, NDEP
FIN A0379 (Certified Copy)

E-Copy: Starla Lacy, NV Energy
Tony Garcia, NV Energy
Rob Bamford, NDEP-BAPC
Jeff Kinder, NDEP-BAPC

Certified Mail No.: 9171 9690 0935 0012 7055 70

STATE OF NEVADA
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES
DIVISION OF ENVIRONMENTAL PROTECTION
BUREAU OF AIR POLLUTION CONTROL
901 SOUTH STEWART ST., SUITE 4001
CARSON CITY, NEVADA 89701-5249

NO. 2452

NOTICE OF ALLEGED AIR QUALITY VIOLATION AND ORDER

NOTICE OF ALLEGED AIR QUALITY VIOLATION

Person(s) to Whom Served: Kevin Geraghty, Vice President, Energy Supply
Company Name: NV Energy, Reid Gardner Generating Station
Address: 6226 West Sahara Avenue M/S 25, Las Vegas, NV 89146
Permit Number: AP4911-0897 **FIN:** A0379
Site of Alleged Violation: Reid Gardner Generating Station, Moapa (Clark County)
Date of Observation: 09/21/12 **Arrival:** N/A **Departure:** N/A
Ambient Temperature: N/A °F **Clear:** **Cloudy:** **Rain:** **Snow:**
Wind Speed: N/A mph **Wind Direction:** N/A

It is alleged that the following regulation was violated by the person named in this notice:

NAC 445B.275 Violations: Acts constituting; notice. 1. Failure to comply with any requirement of NAC 445B.001 to 445B.3791, inclusive, any applicable requirement or any condition of an operating permit constitutes a violation. As required by NRS 445B.450, the Director shall issue a written notice of an alleged violation to any owner or operator for any violation, including, but not limited to:

(c) Failure to construct or operate a stationary source in accordance with any condition of an operating permit.

It is alleged that the following act or practice constitutes the violation:

Failed to comply with a permitted emission limit during a compliance source test.

Evidence:

NV Energy operates the Reid Gardner Generating Station (Reid Gardner) under the conditions of Class I Air Quality Operating Permit AP4911-0897 issued by the Nevada Division of Environmental Protection, Bureau of Air Pollution Control (NDEP-BAPC).

Class I Air Quality Operating Permit AP4911-0897 requires Reid Gardner to conduct compliance source testing for emissions of particulate matter on an annual basis. On September 21, 2012, Reid Gardner conducted its annual compliance source test on Unit 4. On October 3, 2012, the NDEP-BAPC received a 24-hour excess emission report from Reid Gardner stating that based on preliminary results they had exceeded their particulate emissions limit during the September 21, 2012 compliance source test. In the report Reid Gardner also stated that Unit 4 would be taken offline and would be taking a series of steps to troubleshoot baghouse performance. Reid Gardner also notified the NDEP-BAPC that re-testing had been scheduled for October 9, 2012.

On October 17, 2012, the NDEP-BAPC received a 15-day follow up excess emission report for the September 21, 2012 compliance source test on Unit 4. In the report Reid Gardner provided the following explanation:

"NVE performed an offline inspection of the Unit 4 baghouse and completed minor repairs to the equipment. The SO₂ absorber trays were also inspected and cleaned while the unit was offline. Neither system was noted to have any major deficiencies or would be an obvious candidate to explain the elevated PM results from the compliance test on September 21, 2012. Following the inspection and repairs, the unit was brought online and re-tested October 9, 2012. Preliminary results from this test indicate that the PM emissions will be below the permitted limit. We should note that the three test runs from September 21, 2012 appear to be much more varied than the

NOTICE OF ALLEGED AIR QUALITY VIOLATION AND ORDER NO. 2452

recent retest. Although the stack tester reported only a minor issue with power during the first test event, perhaps this helps explain the inconsistent results."

The compliance source test report for both the September 21, 2012 and the re-test conducted on October 9, 2012 were received by the NDEP-BAPC on November 27, 2012. After a complete review the NDEP-BAPC determined that both test programs were conducted according to the federal reference methods approved by the September 14, 2012 protocol approval letter and therefore constituted valid compliance source test.

On August 12, 2013, the NDEP-BAPC and Reid Gardner held an enforcement conference to discuss the information regarding Notice of Alleged Violation (NOAV) 2452. The enforcement conference represented Reid Gardner's opportunity to provide any additional evidence that would lead the NDEP-BAPC into determining that NOAV 2429 should not be issued. During the enforcement conference Reid Gardner provided the NDEP-BAPC with supplemental information regarding the Unit 4 failed source test. Reid Gardner provided the NDEP-BAPC an ambient air quality impact analysis using the elevated emissions data for Unit 4 obtained from the failed September 21, 2012 compliance source test. Results from the analysis show modeled concentrations from Reid Gardner below the federal and state ambient air quality standards. In addition to the ambient air quality analysis, Reid Gardner provided all recorded exceedances collected by ambient air quality monitors going back to January 2012. The data shows the Reid Gardner station to be in compliance with the ambient air quality standards during the period of time in which the September 21, 2012 compliance source test was conducted. Although Reid Gardner was able to demonstrate that the facility was still in compliance with the ambient air quality standards, they still failed to comply with a permitted emission limit. At the close of the enforcement conference it was communicated to Reid Gardner that the NDEP-BAPC would be moving forward with the issuance of NOAV 2452.

In accordance with NAC 445B.281 Violations: Classification; administrative fines, exceeding a permitted emission limit constitutes a major violation. Notice of Alleged Air Quality Violation and Order (NOAV) No. 2452 represents Reid Gardner's second air quality violation within the last 60 months.

ORDER

Under the authority of NRS 445B.100 to 445B.640, inclusive, the person named in this notice is ordered:

_____ To pay the following administrative fine in accordance with 445B.281.1: \$ _____

_____ To take corrective action: _____

_____ To appear for a hearing before the Environmental Commission at:
Date: _____ Time: _____

_____ To appear for an enforcement conference at:
Date: _____ Time: _____

_____ This notice is a warning.

Signature Francisco Vega
Issued by: Francisco Vega, P.E.
Supervisor, Compliance and Enforcement Branch
Bureau of Air Pollution Control

Phone: 775-687-9343 Date: 9/4/13

FV/rew
Certified Mail No.: 9171 9690 0935 0012 7055 70

This order becomes final unless appealed within ten (10) days after receipt of this notice or ten (10) days after a required enforcement conference. The person named in this order may appeal this notice by submitting a written request for a hearing to the Chairman of the Environmental Commission, 901 South Stewart Street, Suite 4001, Carson City, Nevada 89701-5249. An administrative fine may be levied by the Environmental Commission of not more than \$10,000 per day of violation.



State of Nevada

Dept. of Conservation & Natural Resources

State Environmental Commission SEC.nv.gov

901 South Stewart Street, Suite 4001, Carson City, Nevada 89701

FORM 3: FORM FOR REQUESTING AN APPEAL HEARING
(Provide attachments as needed)

1. Name, address, telephone number, and signature of appellant:

Name: _____

Physical Address: _____

E-mail Address: _____

Telephone Number: _____

Signature: _____

Representative capacity (if applicable): _____

2. Attach copy of Nevada Division of Environmental Protection final decision, such as permit or notice of alleged violation, being appealed.

3. Specify grounds of appeal: (check all that apply)

- Final decision in violation of constitutional or statutory provision;
- Final decision made upon unlawful procedure;
- Final decision was affected by other error of law;
- Final decision was clearly erroneous in view of the reliable, probative and substantial evidence on the whole record;
- Final decision was arbitrary or capricious or characterized by abuse of discretion;

4. For each ground of appeal checked above, please list the constitutional, Nevada Revised Statute (NRS), and/or Nevada Administrative Code (NAC) provision allegedly violated. Also list the statutes and/or or regulations that give the State Environmental Commission jurisdiction to hear the appeal.

5. For each ground of appeal checked above, provide a brief and concise statement of the facts which provide the basis for the appeal.

Date of Request: _____.

Send Form to: Executive Secretary, State Environmental Commission, 901 South Stewart Street, Suite 4001, Carson City, NV 89701