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June 16, 2011

VIA E-MAIL AND CERTIFIED MAIL RETURN RECEIPT REQUESTED

Mr. John B. Walker **Executive Secretary** State Environmental Commission 901 So. Steward Street, Suite 4001 Carson City, Nevada 89701

> Re: Appeal of Air Operating Permit: Class I Operating Permit No.

AP4953-1148.01 by Refuse, Inc.

Dear Mr. Walker:

Enclosed is Refuse, Inc.'s Response to Nevada Division of Environmental Protection's Motion for Briefing Schedule in the above-referenced matter.

If you have any questions, please feel free to give me a call.

Sincerely,

Parsons Behle & Latimer

Michael J. Tomko

MJT/lb Enclosure

Jasmine K. Mehta (w/encl.) cc:

Andrew M. Kenefick (w/encl.)

BEFORE THE STATE ENVIRONMENTAL COMMISSION STATE OF NEVADA

In Re:

Appeal of Air Operating Permit: Class I Operating Permit No. AP4953-1148.01 by Refuse, Inc.

REFUSE, INC.'S RESONSE TO NEVADA DIVISION OF ENVIRONMENTAL PROTECTION'S MOTION FOR BRIEFING SCHEDULE

Refuse, Inc., ("RI") by and through its counsel, Richard J. Angell and Michael J. Tomko, hereby responds to the Nevada Division of Environmental Protection-Bureau of Air Pollution Control's ("NDEP-BAPC") motion for briefing schedule in the matter of RI's appeal of its Class I Operating Permit No. AP4953-1148.01.

The RI appeal concerns the recent revisions to the Class I (Title V) Air Operating Permit ("Permit") for the Lockwood Regional Landfill ("Landfill") in Storey County, Nevada. Specifically, the Permit includes requirements that RI must install or operate continuous emission monitoring systems ("CEMS") to continuously monitor emissions of carbon monoxide ("CO") and nitrogen oxides ("NO_x") from three internal combustion engines that RI intends to install to generate electricity from landfill gas generated at the Landfill. RI's appeal is based, in part, on its belief that the CEMS requirement is inconsistent with NDEP-BAPC permitting regulations and policies and deviates from NDEP-BAPC's application of such regulations and policies to similarly situated facilities. In response to RI's appeal, NDEP-BAPC filed its motion requesting that the State Environmental Commission ("Commission") require RI to set forth its specific arguments, with citations to statutory and regulatory provisions and to the record, supporting its contentions that NDEP-BAPC has allegedly acted beyond its authority, arbitrarily and capriciously, and without legal basis in the record.

As highlighted by NDEP-BAPC's request for detailed briefing, including citations to the record, the nature of RI's appeal requires that it have the opportunity to conduct discovery regarding the basis for the CEMS requirement included in the Permit, as well as NDEP-BAPC's application of its regulations and policies to similar air emission sources regarding CEMS requirements. RI's discovery will entail the issuance of subpoenas for the production of records and other documents by the NDEP-BAPC and potentially the oral deposition of one or more witnesses. This type of discovery is contemplated by the rules for practice before the Commission. See NAC 445B.892. Upon receiving NDEP-BAPC's discovery responses, RI will need sufficient time to review this information to both determine the adequacy of the responses as well as incorporate such facts into its opening brief.

To date, RI and NDEP-BAPC have been unable to identify a mutually agreeable briefing and hearing schedule that accommodates the discovery needs for this appeal. Negotiations on this issue can be summarized as follows. Counsel for RI contacted NDEP-BAPC counsel on June 7 and explained that it had been recently contacted by RI and asked to represent RI in this appeal. RI received NDEP-BAPC's proposed briefing schedule on June 6, 2011. On June 9, following an preliminary evaluation of the issues, counsel for RI contacted the Executive Secretary to the Commission, John Walker, and explained that, based on existing schedules and commitments and in order to allow for adequate time to review relevant documents, pursue discovery and brief and prepare for hearing, counsel was requesting that the hearing be scheduled for some time mid- to late September. Mr. Walker requested that counsel for RI contact counsel for NDEP-BAPC and attempt to work out a mutually acceptable schedule. During telephone conferences on June 10 and June 15, counsel for RI and counsel for NDEP-BAPC discussed the schedule for the hearing. Unfortunately, counsel for NDEP-BAPC is unwilling to consider any period of time later than the week of August 10, the date proposed in NDEP-BAPC's motion.

¹ Counsel for NDEP-BAPC has indicated that NDEP-BAPC would oppose any request by RI to conduct oral depositions. While RI does not agree with NDEP-BAPC's position, RI is still evaluating whether this type of discovery will be necessary for this appeal and the possibility of depositions is included in RI's response and proposed schedule in order to reserve RI's rights on the this issue, subject to any objections by NDEP-BAPC.

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The basis for NDEP-BAPC's objection to a later hearing date is unclear to RI. This appeal is centered on terms that NDEP-BAPC included in the Permit that affect the RI's plans to construct and operate electrical generating equipment that will combust gases generated at the Landfill. RI currently complies with state and federal regulations for controlling landfill gas through collection and flaring. The opportunity to power electrical generating equipment with gases from the Landfill represents an alternative option for RI to pursue to generate renewable energy by combusting the landfill gas that would otherwise be lawfully flared without generating any energy. Therefore, any extra time required for the discovery and briefing necessary to adequately present this appeal is a burden borne solely by RI while it waits for resolution of its Permit terms and there is no burden or detriment inflicted on NDEP-BAPC in this situation.

RI proposes that the briefing schedule be as follows:

- On or before July 1, 2011 RI to file its requests to the Commission for issuance of subpoenas requesting documents and any possible depositions.
- Within four (4) weeks of receiving complete responses to RI's subpoenas requesting documents and the conclusion of any potential depositions conducted by RI, RI to file its opening brief.
- Within four (4) weeks after RI filing its opening brief, NDEP-BAPC to file its responsive brief
- Within two (2) weeks after NDEP-BAPC filing its responsive brief, RI to file a reply brief prior to hearing before the Commission.
- RI reserves the right to request post-hearing briefing, depending on the evidence presented at the hearing before the Commission.

Accordingly, for the reasons outlined above, counsel for RI respectfully opposes NDEP-BAPC's proposed schedule and respectfully requests that the Commission set the hearing schedule recommended by RI. Depending on the speed of NDEP-BAPC's responses to RI's discovery requests, the hearing could occur during the week of September 19 or later, depending on whether other later dates would be more workable for NDEP-BAPC. This schedule is

1	necessary to allow RI to properly prepare its appeal and provide the detailed briefing, including		
2	citations to the record, as requested by NDEP-BAPC.		
3	DATED this 16 day of June, 2011.		
4	Divide day of saile, 2011.	N-1 1/// m	
5		RYCHARD J. ANGELL	
6		Nevada State Bar No. 9339 MICHAEL J. TOMKO	
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CERTIFICATE OF SERVICE , certify that I am an employee of Parsons Behle & Latimer, and that on this 16 day of June, 2011, I deposited for mailing a true and correct copy of the foregoing REFUSE, INC.'S RESPONSE TO NEVADA DIVISION OF ENVIRONMENTAL PROTECTION'S MOTION FOR BRIEFING SCHEDULE, via United States Postal Service in Salt Lake City, Utah, by first class mail, postage prepaid, to the following: Jasmine K. Mehta Deputy Attorney General Nevada Attorney General's Office 100 North Carson Street Carson City, NV 89701

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