

TO: Western North Carolina Regional Air Quality Agency Board of Directors
FROM: Betsy Brown, Air Quality Supervisor
SUBJECT: January 11, 2016
DATE: March 1, 2016

Please find attached a copy of the **MINUTES** from the January 11, 2016 Board Meeting. The next meeting of the WNCRAQA Board is scheduled **Monday, March 14, 2016**, in the Agency Board Room at 125 South Lexington Ave Suite 101, Asheville, N.C. 28801.

The Western North Carolina Regional Air Quality Agency Board of Directors met on Monday, January 11, 2016, at the boardroom of the Western North Carolina Regional Air Quality Agency, located at 125 South Lexington Ave Suite 101, Asheville, N.C.

The attendance of the Board members was as follows:

Members Present:

Britt Lovin

Dean Kahl

Lloyd Kirk

Members Absent:

Karl Koon

Vonna Cloninger

Staff Present: *David Brigman, Director; Ashley Featherstone, Air Quality Permitting Program Manager; Betsy Brown, AQ Supervisor; Mike Matthews, Senior AQ Specialist; James Raiford, Senior AQ Specialist*

Media Present: *none*

Others Present: *Michael Frue, Attorney; Julie Mayfield, City Council; Patty Beaver, CIBO*

Mr. Lovin called the meeting of the Western North Carolina Regional Air Quality Agency Board of Directors to order on January 11, 2016 at approximately 4:37 p.m.

The order of business was as follows:

I. PUBLIC COMMENT PROTOCOL ANNOUNCEMENT:

Mr. Lovin started the meeting by reading the announcement about the public comment protocol.

II. APPROVAL OF AGENDA:

Dr. Kahl made a motion for approval. Mr. Kirk seconded the motion. It was approved 3-0.

III. CONSENT AGENDA:

A. Approval of minutes from the November 9, 2015 Board Meeting:

There were no changes to the minutes and Dr. Kahl made a motion for approval. Mr. Kirk seconded the motion and it was approved 3-0.

IV. DIRECTOR'S REPORT:

Mr. Lovin acknowledged Julie Mayfield, City Council member, new liaison to the Agency's Board.

A. Duke Energy Progress (DEP) Permit Renewal Update

During the DEP public comment period, the Agency received comments that other electric generating units (EGU) permits in NC included lower emission rate requirements for sulfur dioxide, which initiated a review of DAQ EGU permits. When the NC Clean Smokestacks Act (CSA) was implemented, the DEP Asheville Plant was the first EGU whose permit was modified for the installation of the additional control devices. Modeling for compliance with the sulfur dioxide standard was performed by the other NC facilities when their permits were modified, which resulted in lower permit limits. Current staff was not involved with the former Asheville DEP, then CP&L, permit modification, which occurred in 2003. Ashley Featherstone contacted the state and Duke to ask if they had any modeling data from this earlier permit modification. When the old stack was removed and

the new stack constructed for the installation of the scrubbers, the stack height was reduced by approximately 65 to 70 feet. The permit review indicated that modeling had been performed but no modeling data was in the file. The agency has asked DEP to conduct modeling to determine compliance with the sulfur dioxide standard that was in effect at the time of the modification for the CSA, which was 2003. If, due to this modeling, a lower limit is required for DEP to meet that standard, that rate will be included in the renewed permit when it is issued. This is something that we are pursuing as part of our response to comments, which will be submitted to EPA for review. The Agency does not expect that there have been exceedances, due to the addition of the scrubbers. Duke is operating under the permit application shield at this time. Ashley Featherstone has an informal agreement with DEP to conduct this modeling, but DEP staff has to go up through management for approval. This was the first plant permitted under CSA, so there was no precedence to follow.

B. EPA’s Clean Power Plan (CPP) Ashley Featherstone presented a brief overview of the CPP to the Board. The CPP came out this past year and has to do with reducing greenhouse gas (GHG) emissions from existing EGUs. There are different building blocks that the EPA has laid out and wants states to incorporate into their plans. A handout was referenced. There are three building blocks (BB) that EPA proposes: BB-1.) Make units more efficient, burn less coal, and therefore emit less GHG. BB-2.) Utilize more NG and BB-3.) Greater use of renewable energy sources such as wind and solar. States are supposed to get together with the stake holders and address all of these. So far NC has come up with a plan to address BB-1 only. They are planning to address BB-2 and BB-3 at a later date. The NC plan for BB-1 includes an analysis of the coal fired power plants in NC and what each unit can do to increase efficiency. The life cycle of each unit is considered. The State has proposed rules that are out for public comment now. No additional action for Asheville and Allen Plants are proposed since they are converting to natural gas. The rule is being litigated. There is a lot of speculation about what will happen and how the court might rule. Everyone appears to be in agreement to go ahead and address the rule, which is similar to what has been done in the past with rules under litigation. If upheld by the court, NC will have already addressed the issues. The conversion of Asheville and Allen to natural gas will result in significant GHG emissions reductions for NC. NC is concerned that they are not getting credit for all of the reductions from the Clean Smokestacks Act, so they are filing a lawsuit to seek credit for reductions made earlier than the lookback date of 2012 in the CPP. When each state has to reduce emissions by a certain amount, it is difficult for NC to find the low hanging fruit that is not out there anymore because NC reduced their emissions earlier than other states.

Mr. Lovin thanked David Brigman and Ashley Featherstone for the CIBO update presentation that they did last Friday, January 8, 2016.

C. Facility Operating Permits (Renewals)

Facility Name	Type of Facility	Facility Classification	Location	Changes from Existing Permit
Enerdyne Properties, LLC – Buncombe Generation Station	Landfill Gas Electric Generation Facility	Small	Riverside Drive, Asheville	None

Motion to renew was made by Mr. Kirk; Dr. Kahl seconded. Motion passed 3-0.

D. Facility Permit Modifications

Facility Name	Type of Facility	Facility Classification	Location	Changes from Existing Permit
Mill Tek Toll Grinders, LLC	Mineral Product Grinding Facility	Small	Spiral Road, Arden	Addition of a lump breaker to process the same bisque-fired clay products as the other permitted equipment.

Motion to modify the permit was made by Mr. Kirk; Dr. Kahl seconded. Motion passed 3-0.

E. New-Restart of an Existing Facility Permit

Facility Name	Type of Facility	Facility Classification	Location	Changes from Previous Permit
Progressive Fibers, LLC	Synthetic Fiber Manufacturing Facility	Small	Sandhill Road, Enka	Progressive Fibers, LLC is requesting permission to operate the facility, which is still owned by Basofil, LLC. Basofil's permit was canceled in 2015.

Mr. Brigman explained that Progressive Fibers, LLC (Progressive Fibers) wants to buy Basofil, LLC (Basofil) and run the equipment before the sale goes through. An agreement was made that the company would need to pay past due permit fees from 2015 owed by Basofil. The same equipment that was previously permitted is being used. Basofil has run sporadically in the last few years and recently requested that the agency cancel their permit. Before the Agency would agree to cancel the permit, the facility was required to pump out tanks and do lock out, tag out to assure that the equipment was not operating. The payment for the 2015 permit fee was received today. Progressive Fibers, LLC will be billed for this year, 2016, with the permit issuance. If the facility needs time to make payment arrangements, we will work with them. Motion to approve was made by Dr. Kahl and Mr. Kirk seconded. Motion passed 3-0.

V. NEW BUSINESS:

A. Legal Counsel Report: None

VI. OTHER BUSINESS:

A. Advisory Committee Report: There is nothing new to report. Clean Air Excellence Awards are coming up. The letters requesting nominations will go out soon.

B. Announcements: None

VII. PUBLIC COMMENT:

None

VIII. ADJOURNMENT:

Mr. Kirk made a motion to adjourn. Dr. Kahl seconded Adjournment took place at 5:07 p.m.