

**MINUTES
STATE AIR POLLUTION CONTROL BOARD MEETING
TUESDAY, JUNE 24, 2008, AND WEDNESDAY, JUNE 25, 2008**

**J. J. KELLY HIGH SCHOOL AUDITORIUM
716 BIRCHFIELD ROAD
WISE, VA 24293**

BOARD MEMBERS PRESENT:

Richard D. Langford, Chair
Hullihen W. Moore
John N. Hanson (Teleconferenced in at 2:30 p.m. on June 25, 2008)

Vivian E. Thomson, Vice-Chair
Bruce C. Buckheit

DEPARTMENT OF ENVIRONMENTAL QUALITY

David K. Paylor, Director
Cindy M. Berndt

ATTORNEY GENERAL'S OFFICE

Carl Josephson, Senior Assistant Attorney General

The meeting was convened on Tuesday, June 24, 2008, at 9:10 a.m., recessed at 9:25 a.m., reconvened at 9:38 a.m., recessed at 12:25 p.m., reconvened at 1:35 p.m., recessed at 3:10 p.m., reconvened at 3:25 p.m., adjourned for the day at 4:40 p.m., convened on Wednesday, June 25, 2008, at 9:20 a.m., recessed at 11:05 a.m., reconvened at 11:20 a.m., recessed at 1:10 p.m., reconvened at 2:32 p.m., recessed at 5:30 p.m., reconvened at 5:35 p.m. and adjourned at 6:15 p.m.

Minute No. 1 – Dominion Virginia City Hybrid Energy Center

The Board convened a meeting on June 24-25, 2008, to consider issuance of a Prevention of Significant Deterioration (PSD) Permit and a Maximum Achievable Control Technology (MACT) Permit for the proposed Virginia City Hybrid Energy Center to be located in St. Paul, Virginia.

On June 24, 2008, those persons who had submitted comments during the public comment period on the draft permits were given the opportunity to address the Board. Close to 100 people made statements for the Board's consideration, including elected officials, environmental group representatives and citizens.

On June 25, 2008, the Board received a presentation from staff on the PSD permit including changes proposed by staff in response to comments received on the draft PSD permit. The Board also received a presentation from staff on the MACT permit including changes to the permit proposed by staff in response to comments received on the draft MACT permit.

Following the staff presentation and Board questions, the Board received a presentation from Dominion Virginia Power.

Board Decision:

Based on the Board book materials, public comment files, public comments received at the meeting,

presentations from staff and Dominion Virginia Power and Board member questions and discussions, the Board, on a motion by Mr. Moore, unanimously approved the PSD and MACT permits as presented with the following amendments:

1. On a motion by Mr. Moore, the Board unanimously approved the following changes to the PSD permit concerning emissions limits for Sulfur Dioxide and deletion of condition 41 relative to Source Reductions and Emissions Offsets:

	Each Boiler (lb/MMBtu)	Each Boiler (lb/hr) ^a	Combined Total (tons/yr)
Sulfur Dioxide ^c			2,469.3 <u>603.6</u>
3-hour average	0.15 <u>0.035</u>	469.80 <u>109.62</u>	
24-hour average	0.12 <u>0.029</u>	375.84 <u>90.83</u>	
30-day rolling average	0.022	0.21 lb/MWh (gross)	

2. On a motion by Mr. Buckheit, the Board unanimously approved the following changes to the MACT permit concerning emission limits for Mercury:

	Each Boiler (lb/MMBtu)	Each Boiler (lb/hr) ^a	Combined Total (tons/yr)
Mercury	0.0000014 ^d	0.0000088^d	8.19 lb/yr
		(0.090 lb/TBtu equivalent)	

3. On a motion by Mr. Moore, the Board unanimously approved adding the following condition to the PSD permit regarding the use of biomass:

Heat Input – After the first 36 months of commercial operation, the company shall use at least 5 percent biomass. Starting in the fifth year of commercial operation, the company shall increase the use of biomass by an additional 1 percent per year up to no less than 10 percent thereafter. For purposes of such biomass requirement, the percent shall be determined by the total biomass heat input for any given year divided by the total heat input for any given year averaged over a rolling three years.

Should market conditions indicate that biomass fuel has a significant ratepayer impact or promotes tree cutting, such biomass requirement shall be reduced or eliminated until market conditions correct. Dominion shall retain an independent consultant to advise with such matters and shall obtain approvals for the elimination or reduction of the practice from DEQ.

4. On a motion by Mr. Moore, the Board, by a vote of 3 to 2 (Messrs. Langford and Hanson voting no), approved adding the following condition to the PSD permit regarding the use of coal refuse:

Coal Refuse – In the event the permittee desires to burn waste coal, it shall present a plan to DEQ, in consultation with the Virginia Department of Mines, Minerals and Energy (DMME), for approval detailing the proposed pile or piles to be burned. The DEQ, in consultation with DMME, may approve, reject, or amend the plan, including requiring the permittee to burn or remove and store safely all coal from one or more piles. The DEQ shall not require through this approval process, the use of more waste coal than would otherwise be burned in the facility.

5. On a motion by Ms. Thomson, the Board unanimously approved adding the following condition to the PSD permit regarding the conversion of Dominion's Bremo Bluff facility to natural gas and, on a motion by Mr. Moore, unanimously approved amending the condition to

provide that the conversion to natural gas would be subject to approval from the State Corporation Commission:

Bremo Power Station Conversion – The permittee shall convert the Bremo Power Station to natural gas within two years of commencement of commercial operation of the Virginia City Hybrid Energy Center, subject to Virginia State Corporation Commission approval. (9 VAC 5-80-1180, 9 VAC 5-80-1985 E and 9 VAC 5-170-160)

5. On a motion by Mr. Buckheit, the Board unanimously approved the following amendment to the MACT permit relative to Carbon Monoxide:

	Each Boiler (lb/MMBtu)	Each Boiler (lb/hr) ^a	Combined Total (tons/yr)
Carbon Monoxide 30-day rolling average	0.15 ^e 0.10 ^c	469.80 313.2	4,115.45 1371.82 2743.63

6. The Board unanimously voted no to a motion by Mr. Buckheit to remove the condition in the MACT permit relative to the stack tests for mercury (Condition 33).

7. The Board, on a motion by Mr. Buckheit, voted 3 to 2 (Messrs. Langford and Hanson voted no) to amend the MACT permit relative to hydrogen chloride emission limits:

	Each Boiler (lb/MMBtu)	Each Boiler (lb/hr) ^a	Combined Total (tons/yr)
Hydrogen Chloride 3-hour average	0.0066 0.0029	20.67 9.08	181.07 79.54

8. The Board, on a motion by Mr. Moore, unanimously approved the following amendments to the PSD permit relative to emission limits for Mercury, deletion of superscript f, relettering of superscript g to f and revision of f to provide that the most stringent emissions limit of either the PSD or MACT permits applies:

	Each Boiler (lb/MMBtu)	Each Boiler (lb/hr) ^a	Combined Total (tons/yr)
Mercury ^f	Note ^{f and g}		71.93 lb/yr ^g

A motion by Mr. Buckheit to direct staff to submit to Board members for review all necessary revisions to the PSD and MACT permits necessitated by the Board's actions prior to issuing the final permits was withdrawn.

Cindy M. Berndt