

FILED

SEP 14 2009

HEARING BOARD
BAY AREA AIR QUALITY
MANAGEMENT DISTRICT

BEFORE THE HEARING BOARD
OF THE
BAY AREA AIR QUALITY MANAGEMENT DISTRICT
STATE OF CALIFORNIA

Lisa Harper
Clerk, Hearing Board
Bay Area Air Quality
Management District

In the Matter of the Application of)
)
GILROY ENERGY CENTER, LLC)
)
For a Variance from Regulation 2, Rule 1,)
Section 307, insofar as they require)
compliance with (i) Permit to Operate)
Condition No. 18102.19.1 and Condition)
No. 18102.19.3 of the Facility's Major)
Facility Review Permit.)
_____)

No. 3570

ORDER GRANTING
EMERGENCY VARIANCE

The above-entitled matter, being an Application for Variance from the provisions of Regulation 2, Rule 1, Section 307, insofar as they require compliance with (i) Permit to Operate Condition No. 18102.19.1 and Permit Condition No. 18102.19.3 of the Facility's Major Facility Review Permit, having been filed at 4:26 p.m. on September 1, 2009, and having been considered by the Hearing Board:

THE HEARING BOARD STATES as the reasons for its decision and FINDS as to those matters in which findings are required:

1. Applicant filed this Application for Variance under the Emergency Variance procedures, Hearing Board Rules, Section 2.5. Pursuant to Health and Safety Code Sections 42359 and 42359.5, the Hearing Board determined that this Application properly could be ruled upon without notice and hearing. Prior to making this determination, and in accordance with Hearing Board Rules Section 2.5.d.2, the Hearing Board requested and received a response to this Application from the Air Pollution Control Officer. That response recommended the Emergency Variance be granted.

1 2. Applicant operates an energy center and their Permit Condition No. 18102.19.1
2 states that the Simple Cycle Gas Turbine (S-5) shall not exceed 5 ppmvd NOx @ 5% O₂ (1-hour
3 rolling average). Permit Condition No. 18102.19.3 states that the Simple Cycle Gas Turbine (S-5)
4 shall not exceed 6 ppmvd CO @ 5% O₂ (3-hour rolling average).

5 3. On July 2, 2009, there was first indication of a problem with S-5 after the
6 turbine was started and tripped off. A mechanic was called and cause trending action was taken.

7 4. On July 18, 2009, S-5 ran again and it lost ammonia. The operator shut down the
8 turbine.

9 5. On August 17, 2009, S-5 started and a more severe occurrence of the 7/2/09
10 incident happened and the turbine was shut down again. General Electric was contacted and an
11 appointment was made for September 1, 2009. Internal technicians tried to fix the problem.

12 6. On August 31, 2009, S-5 was started up due to increase energy need from the
13 hot weather, and the turbine power tripped again. The power continued to fluctuate from 40
14 megawatts to 20 megawatts on S-5.

15 7. A request for an Emergency Variance was reported to the Air District at 4:26
16 p.m. Technicians were on-site and were unable to determine the cause of the fluctuations. The
17 malfunction is most likely due to the electrical system.

18 8. As of July 2, 2009 no exceedance of NOx or CO has occurred. An exceedance
19 may occur while running S-5 during trouble shooting operations.

20 9. S-5 is utilized for peak power usage for the elevated temperatures during the
21 summer months. Annual usage is approximately 500 hours in a 12-month period. S-5 was
22 installed in the facility upon start-up in 2001. In that 8 year period, it has not experienced any
23 unforeseen breakdowns or major repairs until July 2, 2009.

24 10. This Variance will not cause injury, detriment, nuisance, or annoyance to any
25 considerable number of persons or to the public, or endanger the comfort, repose, health or safety
26 of any such persons or the public, or cause or have a natural tendency to cause injury or damage to

1 business or property.

2 THEREFORE, THE HEARING BOARD ORDERS:

3 A Variance from the provisions of Regulation 2, Rule 1, Section 307, insofar as
4 they require compliance with (i) Permit Condition No. 18102.19.1 and Permit Condition No.
5 18102.19.3 of the Facility's Major Facility Review Permit, be and is hereby granted from
6 September 1, 2009 to and including September 30, 2009, based on the following conditions:

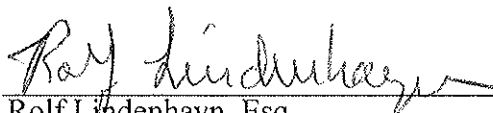
7 1. That the facility anticipates exceedances of the 1-hr. NOx and 3-hr CO limits to reach
8 10 ppmvd @ 5% O₂.

9 2. That the Turbine, Source #5 (S-5) only operates while trouble shooting equipment
10 malfunction and make repairs accordingly.

11 3. The continuous Emission Monitoring System (CEM) shall monitor emissions at all
12 times during the repairs to record any daily excess emissions of NOx and/or CO.

13 4. Other than trouble shooting, the Turbine S-5 should only operate if mandated by the
14 State for public utilities. The two other Turbines (S-3 and S-4) should be utilized first.

15 DATED: September 14, 2009

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18 Rolf Lindenhayn, Esq.
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