

DRAFT
ENGINEERING EVALUATION
San Jose Water Company
Plant: 19806
Application: 27218

BACKGROUND

San Jose Water Company has applied to obtain an Authority to Construct and/or a Permit to Operate (PO) for the following equipment:

S-2 Emergency Standby Diesel Generator Set
2015 Mitsubishi, Model: S16R-Y2PTAW2-1
2923 bhp, 21.8 MMBtu/hr

The Emergency Diesel Engine Generator Set (S-2) will be located at 3601 Williams Road, San Jose, CA 95117 and is equipped with the best available control technology (BACT) for minimizing the release of air borne criteria pollutants and harmful air toxins due to fuel combustion. The criteria pollutants are nitrogen oxides (NO_x), carbon monoxide (CO), precursor organic compounds (POC) from unburned diesel fuel, sulfur dioxide (SO₂) and particulate matter (PM₁₀). All of these pollutants are briefly discussed on the District's web site at www.baaqmd.gov.

S-2 meets the Environmental Protection Agency and California Air Resources Board (EPA/CARB) Tier 2 Off-road standard. The engine will burn commercially available California low sulfur diesel fuel. The sulfur content of the diesel fuel will not exceed 0.0015% by weight. The operation of the engine should not pose any health threat to the surrounding community or the public at large.

The engine is subject to attached condition no. 22850.

EMISSIONS

S-2 has been certified by EPA to be a cleaner burning engine. Except for SO₂, the emission factors for this engine are from the EPA Certification (EPA Certificate FMVXL65.4BBA-011). The SO₂ emissions were calculated based on the maximum allowable sulfur content (0.0015 wt% S) of the diesel fuel with assumption that all of the sulfur present will be converted to SO₂ during the combustion process.

Basis:

- 2923 hp output rating
- 50 hr/yr operation for testing and maintenance
- 159.4 gallons/hr max fuel use rate
- HC, NO_x, CO and PM emission factors provided by EPA Certificate FMVXL65.4BBA-011
- SO₂ emissions are quantified based on the full conversion of 0.0015 wt% (~ 15 ppm) sulfur in the ULS diesel fuel. The SO₂ emission factor was derived from EPA AP-42, Table 3.4-1.

Annual Average Emissions:

Annual emissions are calculated based on the number of hours per year of operation for testing and maintenance. See Table 1 and Attachment A.

Daily Emissions:

Daily emissions are calculated to establish whether a source triggers the requirement for BACT (10 lb/highest day total source emissions for any class of pollutants). 24-hr/day of operation will be assumed since no daily limits are imposed on intermittent and unexpected operations. See Table 1 and Attachment A.

Table 1. Annual and Daily Emissions from EPA Certified Data

Source	Emission Factors taken from...	Operating Hours (hr/yr)	Max Rated Output (bhp)	Fuel Use Rate (gal/hr)	Calculated MMBtu/hr	Pollutant	E.F. (g/bhp-hr) ¹	Max Daily Emissions (lb/day)	Annual Emissions (lb/yr)	Annual Emissions (TPY)
S-2	Certified emissions per EPA Certificate FMVXL65.4BBA-011	50	2923	159.4	21.8	NO _x	4.199	648.83	1351.73	0.676
						POC	0.221	34.15	71.14	0.036
						CO	0.45	69.53	144.86	0.072
						PM ₁₀	0.13	20.09	41.85	0.021
						SO ₂	0.0015	0.79	1.64	0.001

¹Note: To convert from g/kw-hr to g/bhp-hr, multiply by 0.746. SO₂ emission factor from AP-42 Table 3.4-1, SO₂ (15 ppm) E.F. is 0.001515 lb SO₂/MMBtu.

PLANT CUMULATIVE INCREASE

Table 2 summarizes the cumulative increase in criteria pollutant emissions that will result at Plant 19806 from the operation of S-2.

Table 2. Plant Cumulative Emissions Increase

Pollutant	Existing Emissions, Post 4/5/91 (TPY)	New Increase with This Application (TPY)	Cumulative Emissions (TPY)
NO _x	0.000	0.676	0.676
POC	0.000	0.036	0.036
CO	0.000	0.072	0.072
PM ₁₀	0.000	0.021	0.021
SO ₂	0.000	0.001	0.001
NPOC	0.000	0.000	0.000

The criteria pollutant emissions from S-1 are not counted towards the Cumulative Emissions Increase because S-1 is a “Loss of Exemption” engine.

TOXIC RISK SCREENING ANALYSIS

This application required a Toxics Risk Screening Analysis because the diesel particulate emissions from the operation of S-2 are greater than the toxic trigger level.

Table 3. Diesel Exhaust Particulate Matter Emissions

Toxic Pollutant Emitted	Emission Rate (lb/yr)	Risk Screening Trigger (lb/yr)
PM ₁₀ (Diesel Particulate)	41.85*	0.34

*Based on 50 hr/yr operation for testing and maintenance

S-2 meets Best Available Control Technology for toxics (TBACT) since the diesel particulate emissions are less than 0.15 g/bhp-hr. For an engine that meets the TBACT requirement, it must also pass the toxic risk screening level of less than ten in a million. Estimates of residential risk assume exposure to annual average toxic air contaminant concentrations occur 24 hours per day, 350 days per year, for a 70-year lifetime. Risk estimates for offsite workers assume exposure occurs 8 hours per day, 245 days per year, for 40 years. Risk estimates for students assume a higher breathing rate, and exposure is assumed to occur 10 hours per day, 36 weeks per year, for 9 years.

Per the attached 8/3/2015 memo from Daphne Chong, results from the health risk screening analysis indicate that the project cancer risk to the maximally exposed receptor is 0.63 in a million and the chronic hazard index is 0.00022. In accordance with Regulation 2-5, this is an acceptable risk level.

BACT

In accordance with Regulation 2-2-301, BACT is triggered for any new or modified source with the potential to emit 10 pounds or more per highest day of POC, NPOC, NO_x, CO, SO₂, or PM₁₀.

BACT is triggered for POC, NO_x, CO, and PM₁₀ since the maximum daily emissions of each of these pollutants exceed 10 lb/day per source. Please refer to the discussion on “Daily Emissions” on page 2 of this evaluation. BACT for this source is presented in the current BAAQMD BACT/TBACT Workbook for IC Engine – Compression Ignition: Stationary Emergency, non-Agricultural, non-direct drive fire pump, Document #96.1.3, Revision 7 dated 12/22/2010. The BACT standards are shown in the table below.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT Best Available Control Technology (BACT) Guideline
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Source Category

Source:	IC Engine-Compression Ignition: Stationary Emergency, non-Agricultural, non-direct drive fire pump	Revision:	7
		Document #:	96.1.3
Class:	≥ 50 BHP Output	Date:	12/22/2010

Determination

Pollutant	BACT 1. Technologically Feasible/ Cost Effective 2. Achieved in Practice 3. TBACT	TYPICAL TECHNOLOGY
POC (NMHC)	1. n/s ^c 2. CARB ATCM standard ^a for POC at applicable horsepower rating (see attached Table 1).	1. n/s ^c 2. Any engine certified or verified to achieve the applicable standard. ^a
NOx	1. n/s ^c 2. CARB ATCM standard ^a for NOx at applicable horsepower rating (see attached Table 1).	1. n/s ^c 2. Any engine certified or verified to achieve the applicable standard. ^a
SO₂	1. n/s ^c 2. Fuel sulfur content not to exceed 0.0015% (wt) or 15 ppm (wt).	1. n/s ^c 2. CARB Diesel Fuel (Ultra Low Sulfur Diesel)
CO	1. n/s ^c 2. CARB ATCM standard ^a for CO at the applicable horsepower rating (see attached Table 1).	1. n/s ^c 2. Any engine certified or verified to achieve the applicable standard. ^a
PM₁₀	1. n/s ^c 2. 0.15 g/bhp-hr 3. 0.15 g/bhp-hr	1. n/s ^c 2. Any engine or technology demonstrated, certified or verified to achieve the applicable standard. 3. Any engine or technology demonstrated, certified or verified to achieve the applicable standard.
NPOC	1. n/s 2. n/s	1. n/s 2. n/s

References

- a. ATCM standard (listed below): Where NMHC + NOx is listed (with no individual standards for NOx or NMHC) as the standard, the portions may be considered 95% NOx and 5% NMHC. For the purposes of determining BACT NMHC = POC. Any engine which has been certified or demonstrated to meet the current year tier standard may be considered compliant with the certified emission standard for that pollutant.
- b. Deleted (no longer applies).
- c. Cost effectiveness analysis must be based on lesser of 50 hr/yr or non-emergency operation as limited by District health risk screen analysis.

Table 1: BACT 2 Emission Limits based on CARB ATCM

Emissions Standards for Stationary Emergency Standby Diesel-Fueled CI Engines ≥ 50 BHP g/Kw-hr (g/bhp-hr)			
Maximum Engine Power	PM	NMHC+NOx	CO
37 \leq KW < 56 (50 \leq HP < 75)	0.20 (0.15)	4.7 (3.5)	5.0 (3.7)
56 \leq KW < 75 (75 \leq HP < 100)	0.20 (0.15)	4.7 (3.5)	5.0 (3.7)
75 \leq KW < 130 (100 \leq HP < 175)	0.20 (0.15)	4.0 (3.0)	5.0 (3.7)
130 \leq KW < 225 (175 \leq HP < 300)	0.20 (0.15)	4.0 (3.0)	3.5 (2.6)
225 \leq KW < 450 (300 \leq HP < 600)	0.20 (0.15)	4.0 (3.0)	3.5 (2.6)
450 \leq KW \leq 560 (600 \leq HP \leq 750)	0.20 (0.15)	4.0 (3.0)	3.5 (2.6)
KW > 560 (HP > 750)	0.20 (0.15)	6.4 (4.8)	3.5 (2.6)

S-2 satisfies the current BACT(2) standards for POC, NPOC, NOx, CO, and PM10. The more restrictive BACT(1) standards are not applicable to this engine because it will be limited to operation as an emergency standby engine.

OFFSETS

Offsets must be provided for any new or modified source at a facility that emits more than 10 tons/yr of POC or NOx per Regulation 2-2-302. Table 2 summarizes the increase in criteria pollutant emissions that will result from the operation of S-2. It can be seen from Table 2 that S-2 does not trigger any offset requirements. Therefore, offsets are not warranted for any emission.

NSPS

The engine is subject to 40 CFR 60, Subpart IIII, Standards of Performance for Stationary Compression Ignition Internal Combustion Engines because it was manufactured after April 1, 2006, as required by Section 60.4200(a)(2)(i).

S-2 engine has a total displacement of 65.4 liters and has 16 cylinders. Therefore, each cylinder has a volume of less than 10 liters. The engine is a 2015 model year engine and is not a fire pump. Section 60.4205(b) requires these engines to comply with the emission standards in Section 60.4202, which refers to 40CFR89.112 and 40CFR89.113 for all pollutants.

For engines greater than 750 hp, these standards are:

NMHC+NOX: 4.8 g/hp-hr

CO: 2.6 g/hp-hr

PM: 0.15 g/hp-hr

20% opacity during acceleration mode

15% opacity during lugging mode

50% opacity during peaks in acceleration or lugging mode

According to EPA Certificate FMVXL65.4BBA-011, the engine will comply with the standards.

Sections 60.4206 and 60.4211(a) require that the owner/operator operate and maintain the engine according to the manufacturer's written instructions or procedures developed by the owner or operator that are approved by the engine manufacturer, over the entire life of the engine. The owner/operator is expected to comply with this requirement.

Section 60.4207(b) requires that by October 1, 2010, the owner/operator must use fuel that complies with 40 CFR 80.510(b). This means that the fuel must have a sulfur content of 15 parts per million (ppm) maximum, and the same cetane index or aromatic content as above. The owner/operator is expected to comply with this requirement because CARB diesel is required to be used in California.

Section 60.4209(a) requires a non-resettable hour meter. This requirement is already in the standard permit conditions.

The engine will comply with the requirements of Section 60.4211(c) because it has been certified in accordance with 40 CFR Part 89.

The engine will comply with the requirement in Section 60.4211(e) to run for less than 100 hours per year for maintenance checks and readiness testing, and the prohibition of running for any reason other than emergency operation, maintenance, and testing because it is limited by permit condition to 50 hours per year for reliability testing and otherwise may only operate for emergencies.

The owner/operator is not required to perform tests in accordance with Section 60.4212 or 60.4213.

Section 60.4214 states that owner/operators do not have to submit an initial notification to EPA for emergency engines.

Because the engine does not have a diesel particulate filter, the owner/operator is not subject to Section 60.4214(c).

The owner/operator is required to comply with certain sections of 40 CFR 60, Subpart A, General Provisions. The owner/operator is expected to comply with this requirement.

NESHAP

This engine is not subject to the emission or operating limitations in 40 CFR 63, Subpart ZZZZ, National Emission Standards for Hazardous Air Pollutants for Stationary Reciprocating Internal Combustion Engines, because it is an emergency stationary reciprocating internal combustion engine (40 CFR 63.6600(c)).

CARB STATIONARY DIESEL ENGINE ATCM

The State Office of Administrative Law approved the Airborne Toxic Control Measure (ATCM) on November 8, 2004. State law requires the local Air Districts to implement and enforce the requirements of the ATCM. Effective January 1, 2005, there is a prohibition on the operation of new diesel emergency standby engines greater than 50 bhp unless the following operating requirements and emission standards are met:

“Stationary Diesel Engine ATCM” section 93115, title 17, CA Code of Regulations.

Emissions Standards and Hours of Operating Requirements for New Stationary Emergency Standby Diesel-Fueled Engines (>50 bhp):

- a. meet the applicable emission standards for all pollutants for the same model year and maximum horsepower rating as specified in Table 1 Emission Standards for New Stationary Emergency Standby Diesel-Fueled CI Engines, in effect on the date of acquisition or submittal, as defined in section 93115.4, and

Table 1: Emission Standards for New Stationary Emergency Standby Diesel-Fueled CI Engines g/bhp-hr (g/kW-hr)				
Maximum Engine Power	Model year(s)	PM	NMHC+NOx	CO
50 ≤ HP < 75 (37 ≤ kW < 56)	2007	0.15 (0.20)	5.6 (7.5) 3.5 (4.7)	3.7 (5.0)
	2008+			
75 ≤ HP < 100 (56 ≤ kW < 75)	2007	0.15 (0.20)	5.6 (7.5) 3.5 (4.7)	3.7 (5.0)
	2008+			
100 ≤ HP < 175 (75 ≤ kW < 130)	2007	0.15 (0.20)	3.0 (4.0)	3.7 (5.0)
	2008+			
175 ≤ HP < 300 (130 ≤ kW < 225)	2007	0.15 (0.20)	3.0 (4.0)	2.6 (3.5)
	2008+			
300 ≤ HP < 600 (225 ≤ kW < 450)	2007	0.15 (0.20)	3.0 (4.0)	2.6 (3.5)
	2008+			
600 ≤ HP < 750 (450 ≤ kW < 560)	2007	0.15 (0.20)	3.0 (4.0)	2.6 (3.5)
	2008+			
HP > 750 (kW > 560)	2007	0.15 (0.20)	4.8 (6.4)	2.6 (3.5)
	2008+			

1. May be subject to additional emission limitations as specified in current applicable district rules, regulations or policies.

- b. after December 31, 2008, be certified to the new nonroad compression-ignition (CI) engine emission standards for all pollutants for 2007 and later model year engines as specified in 40 CFR, PART 60, Subpart IIII-Standards of Performance for Stationary Compression Ignition Internal Combustion Engines (2006); and
- c. not operate more than 50 hours per year for maintenance and testing purposes, except as provided in 93115.6(a)(3)(A)2. This subsection does not limit engine operation for emergency use and for emission testing to show compliance with 93115.6(a)(3).

Emergency standby diesel engine S-2 (1) meets the emission standards for all pollutants set in Table 1 Emission Standards for New Stationary Emergency Standby Diesel-Fueled CI Engines, (2) is subject to and in compliance with the EPA Tier 2 off-road CI engine standards, and (3) will operate for no more than 50 hours per year for maintenance and reliability testing per engine. Therefore, the diesel engine is in compliance with the above ATCM requirements.

STATEMENT OF COMPLIANCE

Source S-2 is subject to and expected to be in compliance with the requirements of District Regulation 1-301 (*Public Nuisance*), Regulation 6-1-303 (*Particulate Matter and Visible Emissions*), Regulation 9-1 (*Sulfur Dioxide*) and Regulation 9-8 (*NOx and CO from Stationary Internal Combustion Engines*). In order to ensure compliance with the requirements of these regulations, the facility will be conditionally permitted to meet the requirements.

From Regulation 1-301, no person shall discharge from any source whatsoever such quantities of air contaminants or other material which cause injury, detriment, nuisance or annoyance to any considerable number of persons or the public; or which endangers the comfort, repose, health or safety of any such persons or the public, or which causes, or has a natural tendency to cause, injury or damage to business or property. For purposes of this section, three or more violation notices validly issued in a 30 day period to a facility for public nuisance shall give rise to a rebuttable presumption that the violations resulted from negligent conduct.

S-2 is subject to the limitations of Regulation 6-1-303 (*Particulate Matter*). Regulation 6-1-303 states that a person shall not emit for a period or periods aggregating more than three minutes in any hour, a visible emission that is as dark or darker than No. 2 on the Ringelmann Chart, or of such opacity as to obscure an observer’s view to an equivalent or greater degree, nor shall said emission, as perceived by an opacity sensing device in good working order, where such device is required by District Regulations, be equal to or greater than 40% opacity. This low PM₁₀ emitting engine is not expected to produce visible emissions or fallout in violation of this regulation, and it will be assumed to be in compliance with Regulation 6 pending a regular inspection.

S-2 is also subject to the SO₂ limitations of Regulation 9-1-301 (*Limitations on Ground Level Concentrations of Sulfur Dioxide*), Regulation 9-1-302 (*Limitations Sulfur Dioxide Emissions*) and 9-1-304 (*Burning of Solid and Liquid Sulfur Dioxide Fuel*). From Regulation 9-1-301, the ground level concentrations of SO₂ will not exceed 0.5 ppm continuously for 3 consecutive minutes or 0.25 ppm averaged over 60 consecutive minutes, or 0.05 ppm averaged over 24 hours. Per Regulation 9-1-302, a person shall not emit from any source a gas stream containing sulfur dioxide in excess of 300 ppm (dry). And Regulation 9-1-304, states that a person shall not burn any liquid fuel having sulfur content in excess of 0.5% by weight. Compliance with Regulation 9-1 is very likely since diesel fuel with a 0.0015% by weight sulfur is mandated for use in California.

From Regulation 9-8 (*NOx and CO from Stationary Internal Combustion Engines*), Section 110.5 (*Emergency Standby Engines*), S-2 is exempt from the requirements of Regulations 9-8-301 (*Emission Limits on Fossil Derived Fuel Gas*), 9-8-302 (*Emission Limits on Waste Derived Fuel Gas*), 9-8-303 (*Emissions Limits – Delayed Compliance, Existing Spark-Ignited Engines, 51 to 250 bhp or Model Year 1996 or Later*), 9-8-304 (*Emission Limits – Compression-Ignited Engines*), 9-8-305 (*Emission Limits – Delayed Compliance, Existing Compression-Ignited Engines, Model Year 1996 or Later*), 9-8-501 (*Initial Demonstration of Compliance*) and 9-8-503 (*Quarterly Demonstration of Compliance*). However, it is subject to the monitoring and record keeping procedures described in Regulation 9-8-530 (*Emergency Standby Engines, Monitoring and Recordkeeping*). The requirements of this Regulation are included in the permit conditions below.

S-2 is also subject to and expected to comply with Regulation 9-8-330 (*Emergency Standby Engines, Hours of Operation*) since non-emergency hours of operation will be limited in the permit conditions to 50 hours per year.

This application is considered to be ministerial under the District's Regulation 2-1-311 and therefore is not subject to CEQA review. The engineering review for this project requires only the application of standard permit conditions and standard emission factors in accordance with Permit Handbook Chapter 2.3.

PSD is not triggered.

This facility is located within 1,000 feet from the nearest school and therefore is subject to the public notification requirements of Regulation 2-1-412.

PERMIT CONDITIONS

CONDITION 22850-----

1. Operating for reliability-related activities is limited to 50 hours per year per engine.
[Basis: "Stationary Diesel Engine ATCM" section 93115, title 17, CA Code of Regulations, subsection (e)(2)(A)(3) or (e)(2)(B)(3)]

2. The owner or operator shall operate each emergency standby engine only for the following purposes: to mitigate emergency conditions, for emission testing to demonstrate compliance with a District, state or Federal emission limit, or for reliability-related activities (maintenance and other testing, but excluding emission testing). Operating hours while mitigating emergency conditions or while emission testing to show compliance with District, state or Federal emission limits is not limited.
[Basis: "Stationary Diesel Engine ATCM" section 93115, title 17, CA Code of Regulations, subsection (e)(2)(A)(3) or (e)(2)(B)(3)]

3. The owner/operator shall operate each emergency standby engine only when a non-resettable totalizing meter (with a minimum display capability of 9,999 hours) that measures the hours of operation for the engine is installed, operated and properly maintained. [Basis: "Stationary Diesel Engine ATCM" section 93115, title 17, CA Code of Regulations, subsection (e)(4)(G)(1)]

4. Records: The owner/operator shall maintain the following monthly records in a District-approved log for at least 36 months from the date of entry (60 months if the facility has been issued a Title V Major Facility Review Permit or a Synthetic Minor Operating Permit). Log entries shall be retained on-site, either at a central location or at the engine's location, and made immediately available to the District staff upon request.

- a. Hours of operation for reliability-related activities (maintenance and testing).
- b. Hours of operation for emission testing to show compliance with emission limits.
- c. Hours of operation (emergency).
- d. For each emergency, the nature of the emergency condition.
- e. Fuel usage for each engine(s).

[Basis: "Stationary Diesel Engine ATCM" section 93115, title 17, CA Code of Regulations, subsection (e)(4)(I), (or Regulation 2-6-501)]

5. At School and Near-School Operation: If the emergency standby engine is located on school grounds or within 500 feet of any school grounds, the following requirements shall apply:

The owner or operator shall not operate each stationary emergency standby diesel-fueled engine for non-emergency use, including maintenance and testing, during the following periods:

- a. Whenever there is a school-sponsored activity (if the engine is located on school grounds).
- b. Between 7:30 a.m. and 3:30 p.m. on days when school is in session "School" or "School Grounds" means any public or private school used for the purposes of the education of more than 12 children in kindergarten or any of grades 1 to 12, inclusive, but does not include any private school in which education is primarily conducted in a private home(s). "School" or "School Grounds" includes any building or structure, playground, athletic field, or other areas of school property but does not include unimproved school property. [Basis: "Stationary Diesel Engine ATCM" section 93115, title 17, CA Code of Regulations, subsection (e)(2)(A)(1)] or (e)(2)(B)(2)]

End of Conditions

RECOMMENDATION

The District has reviewed the material contained in the permit application for the proposed project and has made a preliminary determination that the project is expected to comply with all applicable requirements of District, state, and federal air quality-related regulations. The preliminary recommendation is to issue an Authority to Construct for the equipment listed below. However, the proposed source will be located within 1000 feet of a school, which triggers the public notification requirements of District Regulation 2-1-412.6. After the comments are received and reviewed, the District will make a final determination on the permit.

I recommend that the District initiate a public notice and consider any comments received prior to taking any final action on the issuance of an Authority to Construct for the following source:

**S-2 Emergency Standby Diesel Generator Set
2015 Mitsubishi, Model: S16R-Y2PTAW2-1
2923 bhp, 21.8 MMBtu/hr**

Prepared by: _____
Jimmy Cheng, Air Quality Engineer

Date: _____