

TO: Western North Carolina Regional Air Quality Agency Board of Directors
FROM: Betsy Brown, Air Quality Supervisor
SUBJECT: September 12, 2016
DATE: November 2, 2016

Please find attached a copy of the **MINUTES** from the September 12, 2016 Board Meeting. The next meeting of the WNCRAQA Board is scheduled **Monday, November 14, 2016**, in the Agency Board Room at 125 South Lexington Avenue Suite 101, Asheville, N.C. 28801.

The Western North Carolina Regional Air Quality Agency Board of Directors met on Monday, September 12, 2016, at the boardroom of the Western North Carolina Regional Air Quality Agency, located at 125 South Lexington Avenue Suite 101, Asheville, N.C.

The attendance of the Board members was as follows:

Members Present:

Dean Kahl

Joel Storrow

Karl Koon

Vonna Cloninger

Members Absent:

Britt Lovin

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

Others Present: *Michael Frue, Board Attorney; Julie Mayfield, City Council.*

Dr. Kahl called the meeting of the Western North Carolina Regional Air Quality Agency Board of Directors to order on September 12, 2016 at approximately 4:00 p.m.

The order of business was as follows:

I. Public Comment Protocol Announcement:

Dr. Kahl started the meeting by reading the announcement about the public comment protocol.

II. Adjustment and approval of agenda

Ms. Cloninger motioned to approve the agenda and Mr. Koon seconded the motion. The motion passed 4-0.

III. Consent Agenda:

A. Approval of minutes from July 11, 2016.

Mr. Storrow motioned to accept the minutes and Mr. Koon seconded the motion. The motion passed 4-0.

IV. Director's Report:

A. Duke Energy Progress Permit /Modeling, Monitoring Update

Duke has conducted modeling that shows compliance with the one hour sulfur dioxide (SO₂) standard using a technique called AERMOIST. The modeling was submitted to EPA. EPA did not approve their use of that technique and as such, the modeling was not approved by EPA. As a result, the monitoring approach is now the focus of this effort. Duke is running a monitor near the plant. This monitor is subject to audits like all state and local air agency monitors. They must meet the same quality assurance parameters as other monitors that are part of the EPA approved monitoring network. Currently the monitor is across the lake from the plant on Duke's property. It is possible that if the plant were to violate the standard, it would show here, but not likely. A better site where higher levels of SO₂ are likely to occur is on Brown Mountain near the power lines. The Agency prefers this site and it is where their SO₂ monitor was before. While Duke is preparing to replace the coal fired units with natural gas, which will address the issues with the SO₂ standard, the rules require the monitor must be up and operational by January 1, 2017 (if modeling does not show compliance). It is up to Duke to get the monitor up and running since they are the owner and operator of the equipment, and they

are to contact the land owner to make arrangements. Since the monitor doesn't have to be up and running until January, the down time necessary to move the monitor from its current site should not be a problem. We hope to have an update by the next Board meeting. This monitor is part of the state network plan. The state will have to amend the plan to include the monitor and that process will be subject to public notice and comment. Duke cannot buy credits for the one hour standard.

B. Monitoring Program Update

Included in discussion above.

C. Meeting with Secretary of NC Department of Environmental Quality (NCDEQ), Donald R. van der Vaart

We met with Secretary van der Vaart here at the Agency on September 1, 2016. The Secretary of NCDEQ brought his Deputy Secretary, John Evans, and Assistant Secretary for the Environment, Tom Reeder, and Stephanie Hawco, the Deputy Secretary for Public Affairs. Britt Lovin was present in the meeting. The State is trying to do away with some of their small source program. The secretaries had already met with the Mecklenburg and Forsyth County local air agencies. Secretary van der Vaart talked about the state plan to exempt small sources from permitting, but still track and inspect the facilities for compliance with applicable regulations. Currently, of approximately 1500 permitted small sources, only 200 or 13% have requested rescission of their permit, which is now an option after the state modified their permit exemption rules in June of this year. The State is able to use other funds to help fund inspections. We don't have that additional revenue. We are trying to use funds from a source to fund inspections of the source. In order to have enough personnel to cover necessary permitting requirements and inspections, we need to collect permit fees. We will look at possibilities including making the permitting process simpler to benefit the facility while maintaining our ability to regulate them. We get complaints about crematoriums, they are in town, close to neighbors. We will continue to look at this and come back to the Board for input and guidance. The State adopted a rule change that allows them to not permit small sources, anything not federally enforceable (Title V and Synthetic Minor sources would not be eligible for exemption). We have the option to adopt these changes or not, or adopt a hybrid approach. Only 13% of the eligible small sources have requested to get out of their permit with the State, which tells us many like the protection their permit allows. Ms. Featherstone said that the current State rules (as amended) require that any source that has between 5 and 25 tons of actual emissions annually must register, sources with actual annual emissions over 25 tons would require permitting. This essentially does away with the small source program and any permitting not federally mandated if you look at our small sources that are permitted. Of the approximately 58 small sources we have, only 4 potentially would need to register. We would only have 5 or less small sources permitted or registered if all eligible sources opted out of permitting. The State change was a Rule change, not a Statutory change (which requires action by the legislature), which means we can choose to adopt or not if this change is considered no more stringent than our current rules. We could have a hybrid approach. The Secretary sounded open to this approach where we could register rather than exempt small sources from permitting, and charge a registration fee to fund the inspection program. There are a lot of questions regarding how to approach this. As part of our Interlocal Agreement, if we want to have a new rule that is more stringent than the state rules, we would have to have public input and approval from County Commissioners and City Council. We would then have to request approval from the NC Environmental Management Commission (EMC) and make our case as to why we need a rule that is more stringent than the state rule. Whether or not modifying the state permit exemption rule changes in our rules to require registration rather than exemption is considered more stringent and triggers the process outlined above is not clear. As DAQ has pointed out, the sources that are now exempt from permitting are still required to comply with

all applicable emissions standards. We could either adopt the changes by reference; or not, and stay where we are. We are separate so we can be different. We are watching the State to see how these changes affect them. Questions we have include: how do you inspect a facility that does not have a permit? Permit “allows” facility to operate within the rules. The rules are outlined in permit. We participate in permit and enforcement conference calls with the State Division of Air Quality workgroups each quarter, and listen to the logistical details of how they are going to track and inspect these facilities without permits. The Secretary encouraged us to explore a registration process as discussed above.

Other issues discussed with the secretaries included the odor rule and issues with Crowell Farms. They are subject to our rules because they have solid waste and water quality permits. We think that odor issues are best handled by other agencies that are required to permit those operations. It is our understanding that odors are handled in those permits and there appears to be duplicative requirements here.

We have federal authority to enforce NESHAP asbestos rules, but the state is also charging for asbestos removal permits in our jurisdiction where we are implementing the permitting and inspection program. These companies are being charged fees by two agencies in the local program counties.

Also discussed were DEQ’s initiatives, law suits, and the Duke monitoring situation.

V. New Business:

A. Legal Counsel Report

Michael Frue said that he had nothing to report.

VI. Other Business:

A. Advisory Committee Report – Dean Kahl

The committee has not met recently, in almost a year. No businesses or organizations applied for Clean Air Excellence Awards this year.

B. Calendar

1. Next Regular Scheduled meeting is November 14, 2016 at 4PM.

C. Announcements: None

VII. Public Comment:

There were no public comments.

VIII. Adjournment:

Mr. Koon motioned to adjourn. Ms. Cloninger seconded the motion. The motion passed 4-0. The meeting was adjourned at 4:39PM.