

ROGERS-SCHMIDT ENGINEERING CO.

Consulting Engineers

8712 Manchester Road
St. Louis, Missouri 63144
Tel. (314) 961-4353
Fax. (314) 961-1189
e-mail: rschmidt@il.net

January 9, 1998

Mr. Theodore Vehige
Gateway Energy Systems
689 Craig Road
St. Louis, Missouri 63141

Subject: Gateway/Solutia Boiler House

780 - G1

Dear Ted:

Enclosed are the notes from the Environmental (Air) Sub-Committee Meeting of January 7, 1998.

Please advise if there are any additions or corrections to be made.

Very truly yours,

ROGERS-SCHMIDT ENGINEERING CO.



Eric T. Schmidt

ETS:bld

ENC:

CC: Bob Schreiber w/enc.
Dave Richardson w/enc.
Roy Noble w/enc.

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Environmental (Air) Sub-Committee Meeting Notes

Project: Gateway/Solutia Boiler House

Date: January 7, 1998

Attending:

Ted Vehige	- Gateway Energy Systems (Gateway)
Dave Richardson	- Solutia, Inc.
Roy Noble	- Solutia, Inc.
Bob Schreiber	- Schreiber, Yonley & Associates (SYA)
Jim Qin	- Schreiber, Yonley & Associates (SYA)
Eric Schmidt	- Rogers-Schmidt Engineering Co.

1. Dave Richardson passed out "Notes from Teleconference with IEPA, 3/10/97." (Attached.) Discussed.
2. Bob Schreiber discussed concept of being a supporting facility in order to take offsets. Need to tell IEPA what we want.
 - Separate permit for Gateway.
 - Separate Title V and Construction permit.
 - Take advantage of offsets.

Will need to be state and federal enforceable.

Illinois regulations "Section 202" lets two companies be together as a permit condition.

Bob suggests Solutia take voluntary permit condition for shutdown of boiler house. Gateway gets credit for emissions in construction permit.

3. Solutia management want some of NO_x credits due to new process. Should be 400 tons or so available.
4. Discussed possible future cogeneration expansion. Any way to bank any of NO_x offsets emissions for future? Would like to do it but not sure if we can. Bob suggested we ask IEPA if Solutia could bank offset emissions for future. Solutia could give to Gateway. Would want to get in writing.

5. Goal of meeting is to determine which scenario will apply, i. e. separate facility "or" support facility.
6. Solutia's goal is to have low cost utility with separate permit.
7. Goal is to show IEPA this is a significant reduction in ~~t~~emissions, i.e. coal fired plant to gas fired plant.
8. Meeting format.
 - Bob - Introduction.
 - Roy - Solutia background on project.
 - Ted - Gateway background on project.
 - Bob
 - Environmental benefits.
 - Current existing emissions and proposed future emissions (decrease).
 - Permitting approach.
9. Roy asked about combining construction and Title V permit. Bob may explore with IEPA during discussion. Title V might delay getting construction permit.
10. Dave Richardson mentioned possibility of waste fuel firing. How big a deal to permit new boilers to burn off gas (primarily CO₂)? Heat input 3000 Btu/lb. LHV, 675 lb/hr. Option would be a flare. Bob didn't think this issue would impact basic goal of meeting to determine permitting strategy.
11. Plan to use NSPS numbers for NO_x emissions.
12. If can bank emissions should bank as much as possible while still getting reasonable stipulations in permit for fuel oil use.
13. Plan to show emissions based on 10% of peak load fired with fuel oil.
14. Dave brought up issue of sulfur content in fuel oil. Presently use "over the road" oil with low limit. With net decrease could hopefully go back to 0.5%.
15. SYA to prepare emissions table and send around this afternoon for review.
16. Meeting at 10:30 A.M., January 8, in Springfield. SYA passed out map. Meet at 8:00 at "Dove" at West County Mall.

17. Bob may bring up issue of CEM's.
18. SYA will prepare handouts for meeting.
19. Jim to take notes at meeting.
20. Discussed stack height modeling. SYA needs plot plan with building heights noted, 200 ft. radius around plant. Dave will provide plot plan with building heights noted for buildings over 30' high.
21. Eric advised that "instrument air" is being planned for, i.e. may have some low level of oil.

* * * * *

¹Notes from Teleconference with IEPA 3/10/97

A conference call was conducted with the IEPA early in the project, both to inform them as a courtesy and also to try to get early identification of any major issues.

Participants:

Dave Richardson - Solutia
Donna Parks - Ethyl
Keith Miller - Solutia
Bob Bunge - Solutia
Dan Elbl - IEPA
Dan Punzack - IEPA
Darrin - IEPA (not sure of last name)

Notes:

There are several projects going on in the state where a third party is building a facility to replace an existing host-owned powerplant.

McCormick Place
A.P. Hunt
Quantum Chemical

Successful bidder would file construction permit.

Project by itself would require public notice, takes an extra 45 days plus one week before and one week after. Total estimated time to issue construction permit 180 days.

Problem comes in with Title V permit. May want to "tie in" Solutia to Title V permit. IEPA's legal staff was working on this issue at the time.

Solutia would need to write letter "assigning" emissions from existing powerplant to third party.

May be issues with gas turbine co-gen, if co-gen expands may restrict host's emissions. IEPA legal staff was also working on this issue.

Would compare past actual emissions to future permitted emissions.

Does Solutia include new operation as sub-part of Title V permit, or does third party file for Title V separately and Solutia amend it's permit. Have one year after startup to file Title V.

May want to look at modeling to determine stack height, but there are no rules that require this.

Recommend that any environmental consulting firm used be familiar with Illinois to do forms.

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