

## Memorandum

**TO:** Coal Bed Methane Operators  
Attn: Environmental Coordinator

**FROM:** Dan Olson, Administrator Air Quality Division

**DATE:** December 29, 2000

**RE:** Operation of Diesel Fired Generators

The purpose of this Memorandum is to advise coal bed methane (CBM) operators of the permitting requirements for diesel and/or propane or natural gas fired generators. CBM activities are growing fast and have or will be entering areas in the northeast part of the State that do not have fully developed power grids. In waiting for power companies to provide electricity to the well sites, power at the well sites must be provided by alternative sources such as generators fueled by diesel and/or propane or natural gas.

Chapter 6, Section 2(a)(i) of the Wyoming Air Quality Standards and Regulations states that "Any person who plans to construct any new facility or source, modify any existing facility or source, or to engage in the use of which may cause the issuance of or an increase in the issuance of air contaminants into the air of this state shall obtain a construction permit from the State of Wyoming, Department of Environmental Quality before any actual work is begun on the facility." Generators, regardless of size, emissions, or whether they sit on the ground or a trailer, used for CBM operations are subject to permitting requirements and must have authorization (either by permit or permit waiver) prior to commencing operations.

Division personnel have surveyed the CBM operations and have noted several generators are operating without authorization from the Division. Most of the generators observed are fueled by diesel which typically results in higher emissions than gaseous fired generators. Small diesel fired generators may emit as much or more NO<sub>x</sub> emissions than a 400 horsepower IC engine controlled to 1.0 gm/hp-hr. Given the congestion of horsepower in the area, the Division is looking very closely at "Best Available Control Technology" (BACT) for all emission sources. In general, BACT for generators represents a gas fired generator equipped with an air fuel ratio controller and nonselective catalytic reduction meeting NO<sub>x</sub> emissions of 1.0 gm/hp-hr (>100hp) or 2.0 gm/hp-hr (<100hp). Since diesel or dual fueled fired generators typically cannot meet these limits, the Division is not likely to authorize any existing or future diesel or dual fired generators except on a temporary basis or for other extenuating circumstances that will be evaluated on a case by case basis.

To allow industry some lead time to respond to this issue and to factor the requirements into their planning, the Division will delay strict implementation for new construction until March 1, 2001. Generators installed after March 1, 2001 must have authorization from this Division prior to commencing operations, in order to be in compliance with Chapter 6, Section 2 regulations. The permitting process is as follows:

1. Complete form AQD-GEN1
2. If the proposed generator(s) does not meet NO<sub>x</sub> emissions (1.0 g/hp-hr (>100hp) or 2.0 g/hp-hr (<100hp)), then a BACT analysis must be submitted. Please fill out the BACT worksheet. All cost estimates must be documented in the application.
3. Submit the application. Be advised that the permitting process may require up to 120 days to complete. Although this time frame can be shortened considerably by committing to install a generator that meets BACT requirements.

**Memorandum**  
**CBM Operators**  
**Diesel Generator Operations**  
**December 29, 2000**  
**Page 2**

Examples of the appropriate forms are attached to this Memorandum and are also available on the DEQ website at <http://deq.state.wy.us/aqd.htm>. If you have any questions, please contact Chad Schlichtemeier or Darin Westby of this Division at (307)777-7391.

In order to insure all existing operations are in compliance with regulatory requirements to have authorization from this Division for all emissions generating equipment on site, facility operators with generators currently operating without authorization will need to follow the process set forth above for new installations. Applications for existing generators shall be submitted to this office by March 1, 2001.

By February 1, 2001, the Division requests from each operator, a summary of existing generator operations. Please fill out Form A, attached, and return to this office.

Operators who have installed and are operating generators without authorization from this Division are technically in violation of Chapter 6, Section 2 of the Wyoming Air Quality Standards and Regulations and are subject to enforcement action. However, the Division does not generally intend to pursue this avenue, but rather intends to work cooperatively and individually with each company to ensure compliance with the regulations.

Please send applications and Form A to:

State of Wyoming  
Air Quality Division  
122 W 25<sup>th</sup> Street  
Cheyenne, Wyoming 82002

