Montana Department of
ENVIRONMENTAL QUALITY
Brian Schweitzer, Governor
P. O. Box 200901 Helena, MT 59620-0901 (406) 444-2544 Website: www.deq.mt.gov

September 5, 2008

Ross Holter
Flathead Electric LFGE Facility
4098 Highway 93 North
Kalispell, MT 59901

Dear Mr. Holter:

The Department of Environmental Quality (Department) has made its decision on the Montana Air Quality Permit application for Flathead Electric's landfill gas to electric facility. The application was given permit number 4245-00. The Department's decision may be appealed to the Board of Environmental Review (Board). A request for hearing must be filed by September 22, 2008. This permit shall become final on September 23, 2008, unless the Board orders a stay on the permit.

Procedures for Appeal: Any person jointly or severally adversely affected by the final action may request a hearing before the Board. Any appeal must be filed before the final date stated above. The request for a hearing shall contain an affidavit setting forth the grounds for the request. Any hearing will be held under the provisions of the Montana Administrative Procedures Act. Submit requests for a hearing in triplicate to: Chairman, Board of Environmental Review, P.O. Box 200901, Helena, Montana 59620.

Conditions: See attached.

For the Department,

Vickie Walsh
Air Permitting Program Supervisor
Air Resources Management Bureau
(406) 444-3490

Julie A. Merkel
Air Quality Specialist
Air Resources Management Bureau
(406) 444-3626

VW:JM
Enclosures

DEPARTMENT OF ENVIRONMENTAL QUALITY
Permitting and Compliance Division
Air Resources Management Bureau
P.O. Box 200901, Helena, Montana 59620
(406) 444-3490

FINAL ENVIRONMENTAL ASSESSMENT (EA)

Issued To: Flathead Electric LFGE Facility

Air Quality Permit Number: 4245-00

Preliminary Determination Issued: August 20, 2008
Department Decision Issued: September 5, 2008
Permit Final:

1. *Legal Description of Site*: The Flathead LFGE facility would be located in Section 1, Township 29 North, Range 22 West in Flathead County, Montana. The facility would be located at the Flathead County Solid Waste District's existing landfill, located at 4098 Highway 93 North.

2. *Description of Project*: The project would incorporate a single Caterpillar G3520C engine/generator. The engine/generator would be fueled on LFG produced by, and collected at, the Flathead County Solid Waste District's landfill. If the LFG was not used as a fuel for the engine/generator, it would be destroyed in an existing enclosed flare owned by Flathead County Solid Waste District.

3. *Objectives of Project*: The purpose of the project would be to convert landfill gas to energy.

4. *Alternatives Considered*: In addition to the proposed action, the Department also considered the "no-action" alternative. The "no-action" alternative would deny issuance of the air quality preconstruction permit to the proposed facility. However, the Department does not consider the "no-action" alternative to be appropriate because Flathead LFGE demonstrated compliance with all applicable rules and regulations as required for permit issuance. Therefore, the "no-action" alternative was eliminated from further consideration.

5. *A Listing of Mitigation, Stipulations, and Other Controls*: A list of enforceable conditions, including a BACT analysis, would be included in Permit #4245-00.

6. *Regulatory Effects on Private Property*: The Department considered alternatives to the conditions imposed in this permit as part of the permit development. The Department determined that the permit conditions are reasonably necessary to ensure compliance with applicable requirements and demonstrate compliance with those requirements and do not unduly restrict private property rights.

7. *The following table summarizes the potential physical and biological effects of the proposed project on the human environment. The "no-action" alternative was discussed previously.*

		Major	Moderate	Minor	None	Unknown	Comments Included
A	Terrestrial and Aquatic Life and Habitats			X			Yes
B	Water Quality, Quantity, and Distribution			X			Yes
C	Geology and Soil Quality, Stability and Moisture			X			Yes
D	Vegetation Cover, Quantity, and Quality			X			Yes
E	Aesthetics			X			Yes
F	Air Quality			X			Yes
G	Unique Endangered, Fragile, or Limited Environmental Resources				X		Yes
H	Demands on Environmental Resource of Water, Air and Energy			X			Yes
I	Historical and Archaeological Sites				X		Yes
J	Cumulative and Secondary Impacts				X		Yes

SUMMARY OF COMMENTS ON POTENTIAL PHYSICAL AND BIOLOGICAL EFFECTS: The following comments have been prepared by the Department.

A. Terrestrial and Aquatic Life and Habitats
B. Water Quality, Quantity and Distribution
C. Geology and Soil Quality, Stability and Moisture
D. Vegetation Cover, Quantity, and Quality

The Flathead LFGE facility would be considered a minor source of emissions and would result in a slight increase in NO_x, CO, VOC, SO_2, and PM_{10}. However, the facility would be located within the boundaries of an existing facility, and would encompass approximately 1.5 acres of the 80 acre site. Therefore, only minor effects on terrestrial and aquatic life and habitats, water quality, quantity and distribution, geology and soil quality, stability and moisture, and vegetation cover, quantity, and quality would be expected as a result of the proposed facility.

E. Aesthetics

The 2,233 hp Caterpillar engine/generator would be visible and would create additional noise in the area. However, the facility would be located within the boundaries of an existing landfill and encompass only 1.5 acres of the 80 acre site. In addition, noise would not exceed 80 decibels (dBA) at 21 feet from the facility and about 65 dBA at the landfill boundary. Therefore, only minor effects on aesthetics would be expected as a result of the proposed facility.

F. Air Quality

The air quality impacts from the facility would be minor because Permit #4245-00 would include conditions limiting emissions of regulated pollutants. The facility would be located within the boundaries of an existing landfill, and would encompass no more than 1.5 acres of the 80 acre property. In addition, the facility would be considered a minor source of air

pollution by industrial standards and would be located in an area where good air dispersion would occur. Therefore, air quality impacts would be minor.

G. Unique Endangered, Fragile, or Limited Environmental Resources
H. Demands on Environmental Resource of Water, Air and Energy
I. Historical and Archaeological Sites

The facility would be located within the boundaries of an existing landfill, and encompass no more than 1.5 acres of the 80 acre site. No known unique, endangered, fragile or limited environmental resources, or historical and archaeological sites are expected to be found in the area. The demands on environmental resources of water, air and energy would be minimal because the facility would be producing energy and would be a minor source of air pollutants by industrial standards. Therefore, there would be no impacts expected as a result of this project.

J. Cumulative and Secondary Impacts

The facility would be located at an existing landfill and would encompass no more than 1.5 acres of the 80 acre site.

8. *The following table summarizes the potential economic and social effects of the proposed project on the human environment. The "no-action" alternative was discussed previously.*

		Major	Moderate	Minor	None	Unknown	Comments Included
A	Social Structures and Mores			X			Yes
B	Cultural Uniqueness and Diversity			X			Yes
C	Local and State Tax Base and Tax Revenue			X			Yes
D	Agricultural or Industrial Production			X			Yes
E	Human Health			X			Yes
F	Access to and Quality of Recreational and Wilderness Activities			X			Yes
G	Quantity and Distribution of Employment				X		Yes
H	Distribution of Population				X		Yes
I	Demands for Government Services			X			Yes
J	Industrial and Commercial Activity			X			Yes
K	Locally Adopted Environmental Plans and Goals				X		Yes
L	Cumulative and Secondary Impacts				X		Yes

SUMMARY OF COMMENTS ON POTENTIAL ECONOMIC AND SOCIAL EFFECTS: The following comments have been prepared by the Department.

A. Social Structures and Mores
B. Cultural Uniqueness and Diversity
C. Local and State Tax Base and Tax Revenue
D. Agricultural or Industrial Production

The facility would be constructed and operated within the boundaries of an existing landfill. However, the operations would encompass no more than 1.5 acres of the 80 acre site. The facility would be small by industrial standards and would have a relatively small amount of pollutants emitted as a result of the operations. Therefore, the facility would have minor impacts on social structures and mores, cultural uniqueness and diversity, local and state tax base and tax revenue, and agricultural or industrial production.

E. Human Health

The proposed project would result in minor impacts to human health because of the increase in air emissions discharged from the facility. The project, permitted by Permit #4245-00, would comply with all applicable air quality rules, regulations, and standards. These rules, regulations, and standards are designed to be protective of human health.

F. Access to and Quality of Recreational and Wilderness Activities

The proposed project would have no impact on access to recreational and wilderness activities because the facility would be located within the boundaries of an existing permitted. The quality of recreational and wilderness activities would have minor impacts because of the increase in air emissions from the facility. While deposition of particles would occur, the Department determined that, due to dispersion characteristics and conditions in Permit #4245-00, the chance of the proposed project impacting the quality of recreational and wilderness activity would be minor.

G. Quantity and Distribution of Employment
H. Distribution of Population

The proposed project would not affect quantity and distribution of employment, or distribution of population in the area because the facility is an existing gas plant and the proposed project would only create one new permanent employee and corresponding distribution of population. In addition, the proposed project would not have impacts that would cause a decrease in the distribution of population.

I. Demands for Government Services
J. Industrial and Commercial Activity
K. Locally Adopted Environmental Plans and Goals

The Department is not aware of any locally adopted environmental plans and goals that would be affected by issuing this permit. The state standards would protect the proposed site and the environment surrounding the site.

L. Cumulative and Secondary Impacts

Overall, the social and economic cumulative and secondary impacts from this project would be minor because the proposed project would take place at the existing facility. New businesses would not be drawn to the area and permanent jobs would not be created or lost due to the proposed project. Because no new employees would be hired for the proposed project, there would be no economic impacts from new employees.

Recommendation: No Environmental Impact Statement (EIS) is required.

The current permitting action is for the construction and operation of a landfill gas fuel to energy facility. Permit #4245-00 includes conditions and limitations to ensure the facility will operate in compliance with all applicable rules and regulations. In addition, there are no significant impacts associated with this proposal.

Other groups or agencies contacted or which may have overlapping jurisdiction: Montana Historical Society – State Historic Preservation Office, Natural Resource Information System – Montana Natural Heritage Program

Individuals or groups contributing to this EA: Department of Environmental Quality – Air Resources Management Bureau, Montana Historical Society – State Historic Preservation Office, Natural Resource Information System – Montana Natural Heritage Program

EA prepared by: Julie Merkel
Date: August 8, 2008