

## DOCKETED

<b>Docket Number:</b>	08-AFC-09C
<b>Project Title:</b>	Palmdale Energy Project (Formerly Palmdale Hybrid Power Plant) - Compliance
<b>TN #:</b>	213215
<b>Document Title:</b>	Proposed Offsets for PEP, July 6, 2016
<b>Description:</b>	Proposed emission reduction credits (offsets) for Palmdale Energy Project (PEP)
<b>Filer:</b>	Eric Veerkamp
<b>Organization:</b>	Atmospheric Dynamics, Inc.
<b>Submitter Role:</b>	Public
<b>Submission Date:</b>	8/31/2016 9:04:56 AM
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**ATMOSPHERIC DYNAMICS, INC**  
Meteorological & Air Quality Modeling

July 6, 2016

Mr. Chris Anderson  
Antelope Valley Air Quality Management District  
43301 Division Street, Suite 206  
Lancaster, CA. 93535

**Re: Proposed Offsets for the Palmdale Energy Project**

Dear Mr. Anderson:

Included with this cover letter is the Palmdale Energy Project (PEP) offset summary tables that are currently being reviewed for use on the project. The tables below represent a subset of the April 21<sup>st</sup> VOC emission reduction credit information that was previously provided to the Antelope Valley Air Quality Management District (AVAQMD), the Environmental Protection Agency Region 9 (EPA) and the California Energy Commission (CEC). No new or additional sources of emission reduction credits (ERCs) are proposed at this time.

The listed ERCs in the tables included with the cover letter will continue to demonstrate to the satisfaction of the EPA, AVAQMD and the CEC and that adequate emission reduction credits are available for sale and can be purchased prior to start of construction of the project. Specific to the EPA comments on the PDOC, the project emissions of 139.99 and 51.64 tons per year of NO<sub>x</sub> and VOC, respectively, shall be offset at a ratio of 1.3 to one for ERC's within the MDAB or areas in the SJVAB that are within 15 miles of the AVAQMD western boundary. If ERCs are obtained from locations greater than 15 miles from the western portion of the AVAQMD, an offset ratio of 1.5 to one shall be utilized for those offsets.

If you have any questions, please do not hesitate to call me at (831) 620-0481. Thank you for your attention in this matter.

Sincerely,

**Atmospheric Dynamics, Inc.**

Gregory S. Darvin

cc:  
Tom Cameron, Palmdale Energy, LLC  
Thomas Johns, Palmdale Energy, LLC  
Attachment



**Attachment**  
**Proposed VOC Emission Reduction Credits**



## Palmdale Energy Project VOC Emissions Reduction Credit Information Summary

Table 1 – VOC ERC Certificate/Facility Key (San Joaquin Valley APCD)

Current Owner	Current ERC Certificate	APCD Reduction Project ID	How Were ERCs Generated	Approximate Date ERCs Approved
Vector Environmental	S-4039-1	S-1100008	Approved equipment shutdown	Dec 2010
Crimson Resource Management	S-3387-1	S-1052797	Approved equipment shutdown/replacement	NA/2005
Calpine	S-3261-1	S-1045045	Approved equipment shutdown	Feb 2006
Heck Cellars	S-3442	S-1075911	Over control	Sept 2010

Table 2 – Revised VOC Quantities

ERC Project ID	ERC Pollutant	1 <sup>st</sup> Qtr, lbs	2 <sup>nd</sup> Qtr, lbs	3 <sup>rd</sup> Qtr, lbs	4 <sup>th</sup> Qtr, lbs
S-4039-1	VOC	71,653	86,926	80,406	9,672
S-3387-1*	VOC	17,021	13,544	13,348	10,958
S-3261-1	VOC	5,294	5,812	4,730	4,995
S-3442	VOC	10,000	10,000	10,000	10,000
<b>Quarterly Totals, tons</b>		<b>51.98</b>	<b>58.14</b>	<b>54.24</b>	<b>17.82</b>
<b>Annual Totals, tpy</b>			<b>182.18</b>		

\* The VOC emissions credits were generated by the shutdown of older lean-burn natural gas fired engines and replacement with newer cleaner engines. SJVAPCD Rule 4702 limits VOC emissions from these engines to 750 ppm (15% O<sub>2</sub>, dry), while AVAQMD Rule 1110.2 limits these types of engines to 250 ppm VOC. It should be noted that the engines prior to shut down were not emitting at the SJVAPCD rule limit, but at levels well below this limit. As such, the VOC emissions currently banked for this project will most likely require a further adjustment (reduction) to bring the emissions in line with the AVAQMD rule limit. This adjustment will have to be completed for each engine and the final emissions amounts re-tabulated prior to use as an offset. The table which follows presents a preliminary re-assessment of these emissions incorporating the scale-down per the rule reductions.