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October 28, 2010

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07-AFC-3
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Via U.S. Mail and Electronic Service
California Energy Commission
Attn: Docket No. 07-AFC-03
1516 Ninth Street, MS-4
Sacramento, CA 95814-5512

Re: *CPV Sentinel Energy Project; Docket No. 07-AFC-03*

Dear Sir or Madam:

Enclosed is the original ***COMMENTS OF SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT ON PRESIDING MEMBERS' PROPOSED DECISION.***

This document was filed today via electronic mail and the original was deposited into the U.S. Mail for delivery to the Dockets Unit. All parties on the service list (last revised on 7/01/10) have also been served electronically and by U.S. Mail.

Very truly yours,

Barbara Baird
District Counsel

BB:pa
Encl.
e/share/BB/energy/sentinel102810.doc

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STATE OF CALIFORNIA
ENERGY RESOURCES
CONSERVATION AND DEVELOPMENT COMMISSION

In the Matter of:	)	Docket No. 07-AFC-3
	)	CEC-800-2010-016 PMPD
CPV SENTINEL ENERGY PROJECT	)	
	)	
	)	
	)	

COMMENTS OF SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT ON PRESIDING MEMBERS' PROPOSED DECISION

The SCAQMD respectfully submits the following comments on the Presiding Members' Proposed Decision (PMPD); all of which refer to the Air Quality Section of the Public Health and Safety Chapter (Chapter V, Section B):

A. Comments Re Specification of Facility Requirements :

1. Page 39, discussion of Rule 1303(b)(2). Text should read:

"Non-RECLAIM criteria pollutants (~~CO~~, VOC, SOx, and PM10) will be offset by either the purchase of Emission Reduction Credits (ERCs) at a 1.2 to 1 ratio and/or other means, as allowed under District Rules and Regulations, AB 1318, and the SIP revision implementing AB 1318 for SOx and PM10 at a 1 to 1 ~~1.2 to 1~~ ratio."

Rationale: Pursuant to AB 1318 and the SIP revision implementing AB 1318, PM10 and SOx offsets are required to be provided from the SCAQMD's internal accounts, which is analogous to the Priority Reserve, which specifies an offset ratio of 1 to 1 rather than 1.2

to 1. See PMPD, p. 53 (AQ-SC8) recognizing that SOx and PM10 offsets are to be provided at 1-to-1 ratio. In addition, the federal Clean Air Act offset requirements for nonattainment air contaminants and their precursors at an offset ratio of 1-to-1 (except for Ozone precursors in extreme nonattainment areas).

2. Page 23. Text should read:

The project must obtain offsets to satisfy ~~either~~ SCAQMD Rule 1303 (which requires Emission Reduction Credits (ERCs), AB 1318 requirements, and Regulation XX (which requires participation in the RECLAIM program, as applicable ...."

Rationale: The project may either provide ERCs or rely on AB 1318 requirements for SOx and PM10 (as well as providing RECLAIM Trading Credits for NOx).

B. Comments Re the Impact of the Project

1. Page 5. Text should read:

"The record indicates the new federal short-term NO2 standard ~~was not evaluated because~~ went into effect on April 12, 2010, after the application for this project was submitted ~~before this new standard was proposed for adoption~~. At the time the application was submitted, t~~T~~he EPA has~~d~~ not developed a dispersion model post-processor to calculate the statistical compliance with the new standard, and a determination of the air basin attainment status is not scheduled until January 2012. However, since the application was submitted, EPA has issued a guidance for implementation of the short-term NO2 standard for Prevention of Significant Demonstration (PSD) program on June 29, 2010. This is not a PSD project so the guidance does not apply.

2. Page 35. Text should read:

"These impacts could be considered significant because they would contribute to ongoing violations of the state ~~and federal~~ PM2.5 ambient air quality standards."

Rationale: The Coachella Valley, where the project is located, has not been classified as nonattainment for federal PM2.5 standards. Hence, there is no ongoing violation to which the project will contribute. See Exh. 141, Addendum to the Final Determination of Compliance, Appendix N, p. 2 (March 2, 2010). The project by itself does not exceed federal PM2.5 standards

C. Comments Re Description of Air Quality Setting or Legal Requirements

1. Page 4. Text should read:

"The entire area within the boundaries of an air basin ~~district~~ is usually evaluated to determine the basin ~~SCAQMD~~ attainment status. AIR QUALITY Table 2 lists the attainment and non-attainment status of the Coachella Valley located in the Salton Sea Air Basin (SSAB) ~~District~~ for each criteria pollutant for both the federal and state ambient air quality standards."

Rationale: The attainment status may be different as between the South Coast Air Basin and the Coachella Valley which is in SSAB and where the project is located. In particular, the South Coast Air Basin is classified as "nonattainment" for federal PM2.5 standards; the Coachella Valley is designated "unclassified." The Table appears to pertain to the Coachella Valley, not the SCAQMD as a whole.

2. Page 5. Text should read:

"In the power plant certification process, the District's FDOC serves as the basis for the ~~an in lieu~~ Authority to Construct (ATC) permit, which is required for new air pollution sources within the District's jurisdiction."

Rationale: SCAQMD issues a separate permit to construct (in this case a Title V permit) for the power plant after the CEC process is complete. See PMPD, page 52, AQ-SC7, recognizing the separate authority to construct.

3. Page 6. Text should read:

"At the time of filing the AFC, the South Coast Air Basin ~~SCAQMD~~ was ~~is~~ designated as severe-17 non-attainment for the 8-hour ozone standard, (the second worst classification) ~~meaning that the South Coast air basin ambient ozone design concentration is 0.280 ppm or above and it did not reach attainment before 2007~~.

Rationale: For the 8-hour ozone standard, the South Coast Air Bain was originally designated "severe-17." It has since been redesignated as "extreme." Neither designation has anything to do with 0.28 ppm design value or an attainment date of 2007, which pertain to the revoked one-hour ozone standard...

Also, the Coachella Valley has likewise had its attainment date extended, based on redesignation, to the year 2019.

4. Page 7. Text should read:

"~~San Bernardino County (but not the entire~~ The South Coast Air Basin~~)~~ has been designated as non-attainment area for the federal 24-hour ~~and annual PM10~~ ambient air quality standards."

Rationale: The entire South Coast Air Basin is currently designated as non-attainment for federal PM10 24-hour standard. (The federal annual PM10 standard has been revoked.) SCAQMD has requested both the South Coast Air Basin and the Salton Sea Air Basin portion of the SCAQMD to be redesignated as attainment for PM10.

5. Page 26. Text should read:

"The record indicates that for the purposes of the AB 1318 Tracking System, which consists of the U.S. EPA-approved Tracking system in place prior to the passage of Rule 1315, plus minor source shutdowns and reductions since 1990, the SCAQMD has identified...."

Rationale: AB 1318 specifically allows the use of minor source shutdowns and reductions since 1990 as in the AB 1318 tracking system. Health & Safety Code §40440.14(b)(2).

6. Page 41. Regulation XVII – PSD. Text should read:

"SCAQMD sent a letter to the Applicant on December 8, 2005, and instructed the Applicant to contact U.S. EPA directly regarding implementation of PSD. However, on July 25, 2007, EPA granted new partial PSD delegation authority to SCAQMD for all new PSD sources and most modifications to existing sources." However, the Project is not a PSD source.

Rationale: EPA granted PSD delegation to SCAQMD in July 2007 for all new sources and any modification to an existing source, provided the applicant does not use the PSD applicability determinations based on the NSR Reforms.

~~6~~7. Page 43, Regulation XXX-Title V. Text should read:

"The initial Title V permit was ~~will be~~ processed and the required public notice was ~~will be~~ sent along with the Rule 212(g) Public Notice which is also required for the project."

Rationale: The Title V permit has already been sent out for public notice and EPA review. The decision should not imply that there will be another public notice period.

~~7~~8. Page 43: Rule 2005(j) – Compliance with State and Federal NSR. Text should read:

"CPV Sentinel will comply with the provisions of this rule by having demonstrated compliance with SCAQMD NSR Regulations~~-~~XIII, AB 1318 as applicable, and Rule 2005 NSR for RECLAIM."

Rationale: The project is subject to AB 1318 and the SIP revision implementing AB 1318 for SOx and PM10 offsets, rather than Regulation XIII.

9. Page 46: Item 30. Text should read:

"~~All~~ The project-related PM2.5 emissions ~~will~~ does not need to be offset, since the location of the project is in SSAB, which is unclassified, and therefore, not considered as nonattainment for PM2.5." However, many of the PM10 offsets being provided are from combustion sources and mostly PM2.5.

Rationale: Since the project is located in the SSAB, the area is unclassified for PM2.5, as shown in Table 2 on page 4. Therefore, there are no offsets required for PM2.5 due to the SSAB being designated as unclassified.

10. Page 53: AQ-SC8. Text should be deleted or read:

"Owner is not required to ~~shall~~ provide emission reduction credits to offset turbine emissions for PM2.5, since the SSAB is unclassified for PM2.5."

Rationale: Same as # 9 above.

D. Comments Re Numerical Corrections

Page 23: Oxidizing Catalyst, CO six ppm 3-hour average should be changed to 4.0 ppm 1-hour average.

Page 23: Table 8, VOC offsets should be "456" lbs/day instead of "441" lbs/day.

Page 37: Rule 407 CO BACT limit of 6.0 ppmvd should be changed to 4.0 ppmvd.

Page 37: Rule 431.2 – Sulfur Content of Liquid Fuels should be added in, since it applies to the diesel emergency internal combustion engine.

Page 38: At the top of the page the PM10 mass emission from CPV Sentinel turbines should be changed from 6 lbs/hr to 5 lbs/hr.

Page 53: AQ-SC8, The VOC offset requirements should be "456" lbs/day, instead of "441" lbs/day.

Page 55: AQ-1, The emission limit from each gas turbine should be "2,425" lbs/month of PM10, instead of "2,428" lbs/month; "6,477" lbs/month of CO instead of "8,2016,477" lbs/month; "293" lbs/month SOx instead of "288,293" lbs/month; and "1,432" lbs/month VOC instead of "1,425" lbs/month. Also the PM10 emission factor should be "5.71 lbs/mmscf" instead of "5 lbs/hr".

Page 65: AQ-16, The amount of NOx RTCs should be revised to read as follows:

To comply with this condition, the project owner, for the first year commissioning and operation, shall hold a minimum of:

- 35,839 lbs. for each Units 1-8
- 77 lbs. for the operation of the firewater pump
- A first year total of 286,786 lbs NOx RTCs

To comply with this condition, the project owner, for the second year operation, shall hold a minimum of:

- 30,110 lbs. for each Units 1-8
- 77 lbs. for the operation of the firewater pump
- A second year total of 240,958 lbs NOx RTCs

Section V. C. Public Health - Page 6 of Public Health section

Public Health Table 2, total Individual Cancer Risk from project (including cooling towers) should be "0.5×10^{-6}" instead of "0.856×10^{-6}".

Respectfully submitted,

Dated: October 28, 2010

KURT R. WIESE, General Counsel
BARBARA BAIRD, District Counsel

By: _____

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Declaration of Service

I, Patricia M. Anderson, declare that on October 28, 2010, I served and filed a copy of the attached ***COMMENTS OF SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT ON PRESIDING MEMBERS' PROPOSED DECISION***. The original document, filed with the Docket Unit, is accompanied by a copy of the most recent Proof of Service list, located on the web page for this project at: **[http://www.energy.ca.gov/sitingcases/sentinel/documents/index.html].**

The document has been sent to both the other parties in the proceeding (as shown on the Proof of Service list) and to the Commission's Docket Unit, in the following manner:

(Check all that apply)

For service to all other parties:

___✓___ sent electronically to all email addressed on the Proof of Service list;

_____ by personal delivery;

_____ by delivering on this date, for mailing with the United States Postal Service with first-class postage thereon fully prepaid, to the name and address of the person served, for mailing that same day in the ordinary course of business; that the envelope was sealed and placed for collection and mailing on that date to those addresses **NOT** marked "email preferred."

AND

For filing with the Energy Commission:

___✓___ sending an original paper copy and one electronic copy, mailed and emailed respectively, to the address below (preferred method);

OR

_____ depositing in the mail an original and 12 paper copies, as follows:

CALIFORNIA ENERGY COMMISSION
Attn: Docket No. 07-AFC-03
1516 Ninth Street, MS-4
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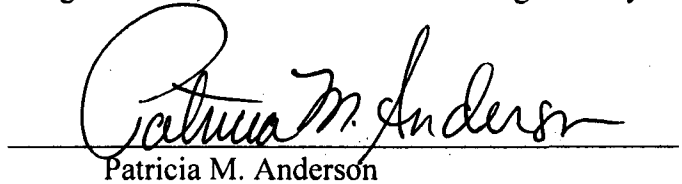
I declare under penalty of perjury that the foregoing is true and correct, that I am employed in the county where this mailing occurred, and that I am over the age of 18 years and not a party to the proceeding.



Patricia M. Anderson

BEFORE THE ENERGY RESOURCES CONSERVATION AND DEVELOPMENT COMMISSION OF THE STATE OF CALIFORNIA
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APPLICATION FOR CERTIFICATION FOR THE *CPV SENTINEL ENERGY PROJECT* *BY THE CPV SENTINEL, L.L.C*

DOCKET NO. 07-AFC-3

PROOF OF SERVICE
(Revised 7/1/2010)

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