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August 29, 2011

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VIA EMAIL

Mr. Eric Solorio, Siting Project Manager
California Energy Commission
1516 Ninth Street
Sacramento, California 95814

DOCKET	
11-AFC-1	
DATE	AUG 29 2011
RECD.	AUG 29 2011

**Re: Pio Pico Energy Center Project (11-AFC-1)
Emission Reduction Credits**

Dear Mr. Solorio:

On behalf of Applicant Pio Pico Energy Center, LLC, please find enclosed herein a list of banked emission reduction credits that will be used to satisfy the San Diego Air Pollution Control District's offset requirements for the Pio Pico Energy Center Project. While the enclosed summary indicates the quantity of emission reduction credits is slightly in excess of the District's requirements, Applicant will make a final determination as to the quantity of the emission reduction credits to be surrendered prior to the commencement of construction.

Should you have any questions regarding this filing, please contact me directly.

Very truly yours,

A handwritten signature in blue ink that reads 'Melissa A. Foster'.

Melissa A. Foster

MAF:kjh
Enclosure

**Air Quality Offset Summary Report
Pio Pico Energy Center**

SUMMARY OF TOTAL SDAPCD OFFSETS REQUIRED AND AVAILABLE (TPY)

Source	NOx
Offsets Required	84.5
NOx	
South Bay Units 3&4	29.2
South Bay Units 1&2	24.6
Total NOx	53.8
VOC ¹	
South Bay Units 3&4	8.1
South Bay Units 1&2	5.6
IG&E GP, LLC	18.7
Total VOC	32.4
Total offsets Available	86.2
NOx Offset Surplus (Shortfall)	1.7

Notes

1: Quantity in table reflects 50% reduction due to 2.0:1 interpollutant ratio.

Offset source: Dynegy South Bay. LLC
 Location: Chula Vista, CA
 Offsets created by: Shutdown of Units 3&4
 Certificate No. 00019-01 (NOx) and 00019-03 (VOC)
 Quantities of ERCs (in tons):
 NOx: 29.2
 VOC: 16.2

Offset source: Dynegy South Bay. LLC
 Location: Chula Vista, CA
 Offsets created by: Shutdown of Units 1 & 2 and CT
 Certificate No. 00039-01 (NOx) and 00039-03 (VOC)
 Quantities of ERCs (in tons):
 NOx: 24.6
 VOC: 11.2

Offset candidate: IG&E GP, LLC
 Location: San Diego, CA
 Offsets created by: Permanent reduction in emissions from furniture coating operations
 Certificate No.: 090819-01, 090819-02
 Quantities of ERCs (in tons): VOC: 37.4

BEFORE THE ENERGY RESOURCES CONSERVATION AND DEVELOPMENT
COMMISSION OF THE STATE OF CALIFORNIA
1516 NINTH STREET, SACRAMENTO, CA 95814
1-800-822-6228 – WWW.ENERGY.CA.GOV

APPLICATION FOR CERTIFICATION
FOR THE *PIO PICO ENERGY CENTER, LLC*

Docket No. 11-AFC-1
PROOF OF SERVICE
(Revised 5/15/11)

Pio Pico Energy Center, LLC

**Letter to Eric Solorio, Siting Project Manager, California Energy Commission,
dated August 29, 2011 re Emission Reduction Credits**

APPLICANT

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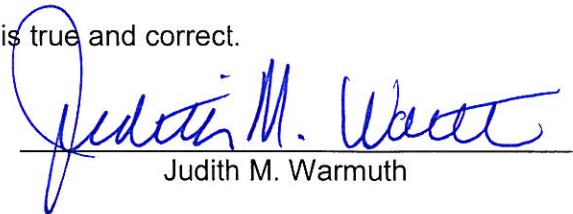
DECLARATION OF SERVICE

I, Judith M. Warmuth, declare that on August 29, 2011, I deposited copies of the aforementioned document and, if applicable, a disc containing the aforementioned document in the United States mail at 500 Capitol Mall, Suite 1600, Sacramento, California 95814, with first-class postage thereon fully prepaid and addressed to those identified on the Proof of Service list above.

AND/OR

Transmission via electronic mail, personal delivery and first class U.S. mail were consistent with the requirements of California Code of Regulations, Title 20, sections 1209, 1209.5, and 1210. All electronic copies were sent to all those identified on the Proof of Service list above.

I declare under penalty of perjury that the foregoing is true and correct.



Judith M. Warmuth