

April 10, 2008

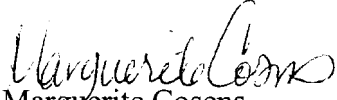
Ms. Angela Hockaday  
California Energy Commission  
Docket Unit, MS-4  
1516 Ninth Street  
Sacramento, CA 95814-5512

**SUBJECT: PG&E'S COMMENTS ON THE FINAL  
DETERMINATION OF COMPLIANCE (FDOC)  
COLUSA GENERATING STATION  
DOCKET NO. (06-AFC-9)**

Dear Ms. Hockaday:

Enclosed for filing with the California Energy Commission are one (1) original and twelve (12) copies of **PG&E'S COMMENTS ON THE FINAL DETERMINATION OF COMPLIANCE (FDOC)**, for the Colusa Generating Station Project (06-AFC-9).

Sincerely,

  
Marguerite Cosens  
Administrative Assistant  
GalatiBlek

April 10, 2008



**sierra  
research**

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Harry A. Krug  
Air Pollution Control Officer  
Colusa County Air Pollution Control District  
100 Sunrise Boulevard, Suite A-3  
Colusa, California 95932-3246

Dear Mr. Krug:

We are writing on behalf of Pacific Gas and Electric Company (PG&E). PG&E is the applicant for California Energy Commission (CEC) certification and District permits for the Colusa Generating Station (CEC Docket 06-AFC-9).

In its written comments to the CEC on the Presiding Member's Proposed Decision (PMPD), which will soon be submitted to the CEC, PG&E will request that Condition AQ-27 be revised. Specifically, PG&E will request a change to the time at which PM<sub>10</sub> offsets must be surrendered. PG&E proposes to surrender enough PM<sub>10</sub> offsets to mitigate construction emissions prior to start of construction, and to surrender the rest of the offsets prior to commencement of operation.

The purpose of this letter is to request that the District make a corresponding modification to permit condition 27 in the Final Determination of Compliance (FDOC). PG&E proposes to use the same language that was in the District's Preliminary Determination of Compliance (PDOC).

### Demonstration of Compliance

District regulations do not require surrender of offsets prior to the start of construction, nor do they require mitigation of construction emissions. However, the CEC requires mitigation of construction emissions under certain circumstances, which are applicable to this project.

In order to simplify enforcement, the District included the CEC's air quality requirements in the permit conditions contained in the FDOC.

Construction: Emissions = 5.08 tons/quarter

In order to mitigate PM<sub>10</sub> emissions from construction, the FDOC currently requires surrender of all PM<sub>10</sub> offsets prior to start of construction. As an alternative, the applicant proposes to surrender enough offsets to cover construction activities, and to surrender the rest of the offsets needed to cover operation prior to commencement of operation.

This change will allow the applicant to better coordinate purchase and transfer of the credit certificates. It will not change affect emissions within the District—all of the emission reductions that are sources of credits have already occurred, and the region already enjoys the benefit of the emission reductions.

The highest monthly construction PM<sub>10</sub> emissions are 3,384.20 lbs. A conservative assumption of three consecutive months of high emissions results in quarterly emissions of 5.08 tons. The Highway 70 ERCs include 33,500 lbs/quarter (16.75 tons) of PM<sub>10</sub>. The applicant proposes to surrender all of the Highway 70 PM<sub>10</sub> ERCs to satisfy the preconstruction surrender requirement.

AQ-27          Offsets for the Colusa Generating Station power plant shall be in effect prior to operation of the facility and will not be less than the following amounts at any time. The offsets presented in the table below reflect distance factors and the VOC:NOx interpollutant ratio. ~~All~~ Sufficient ERCs for PM10 will be provided prior to start of construction activities to offset construction PM10 emissions.

Emission Offsets by Calendar Quarter				
Pollutant in Tons	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Oxides of nitrogen (NO <sub>2</sub> )	50.75	47.01	36.55	53.80
Volatile organic compounds (CH <sub>4</sub> )	12.36	11.69	11.90	11.82
Particulate Matter PM <sub>10</sub>	32.51	30.75	24.09	34.74
Oxides of sulfur (SO <sub>2</sub> )	3.50	2.94	1.39	3.85


### Summary

The permit condition that requires surrender of PM<sub>10</sub> offsets prior to commencement of construction is not required by District rules, but by the CEC. The District included the CEC requirement in the FDOC in order to simplify enforcement.

Because the condition was included in the FDOC to implement a CEC requirement, the District should revise the FDOC to match the CEC's final requirement.

Please call Steve Hill or myself at (916) 444-6666 if you have any questions.

Sincerely,

  
Gary Rubenstein

cc: Jon Maring, PG&E

**BEFORE THE ENERGY RESOURCES CONSERVATION AND DEVELOPMENT COMMISSION OF THE  
STATE OF CALIFORNIA**

**APPLICATION FOR CERTIFICATION  
FOR THE COLUSA GENERATING  
STATION PROJECT**

**Docket No. 06-AFC-9  
PROOF OF SERVICE  
(REVISED 8/22/2007)**

**INSTRUCTIONS:** All parties shall 1) send an original signed document plus 12 copies OR 2) mail one original signed copy AND e-mail the document to the web address below, AND 3) all parties shall also send a printed OR electronic copy of the documents that shall include a proof of service declaration to each of the individuals on the proof of service:

CALIFORNIA ENERGY COMMISSION  
Attn: Docket No. 06-AFC-9  
1516 Ninth Street, MS-4  
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**DECLARATION OF SERVICE**

I, Marquente Cosens, declare that on April 10, 2008, I deposited copies of the attached **PACIFIC GAS & ELECTRIC COMPANY'S COMMENTS ON THE FINAL DETERMINATION OF COMPLIANCE (FDOC)** in the United States mail at Sacramento, California with first-class postage thereon fully prepaid and addressed to those identified on the Proof of Service list above.

**OR**

Transmission via electronic mail was 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.

  
Marguerite Cosens