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September 19, 2011

VIA EMAIL AND MAIL

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

DOCKET	
11-AFC-1	
DATE	<u>Sept 19 2011</u>
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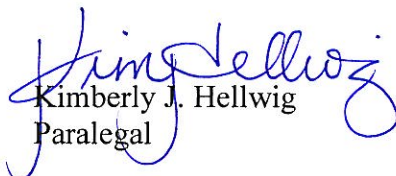
**Re: Pio Pico Energy Center Project (11-AFC-01)
Acid Rain Permit Application - San Diego Air Pollution Control District**

Dear Mr. Solorio:

On behalf of Applicant Pio Pico Energy Center, LLC, please find enclosed herein Applicant's Application for Acid Rain Permit submitted to the San Diego Air Pollution Control District on or about September 14, 2011.

Should you have any questions regarding this correspondence or the above-referenced application, please contact Melissa Foster at (916) 319-4673.

Respectfully submitted,


Kimberly J. Hellwig
Paralegal

KJH:jmw
Enclosure
cc: Proof of Service List

September 14, 2011



**sierra
research**

1801 J Street
Sacramento, CA 95811
Tel: (916) 444-6666
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Steve Moore
Senior Air Pollution Control Engineer
San Diego Air Pollution Control District
10124 Old Grove Road
San Diego, CA 92131-1649

Subject: Application for Acid Rain Permit for Pio Pico Energy Center

Dear Mr. Moore:

On behalf of Pio Pico Energy Center, LLC, we are pleased to submit the enclosed Acid Rain permit application for the proposed Pio Pico Energy Center (PPEC). According to discussions with the EPA Clean Air Markets group, the Acid Rain permit applications must be submitted to the local permitting authority responsible for Title V. Since the SDAPCD is the Title V permitting authority for PPEC, we are submitting this application to the SDAPCD.

If you have any questions or need any additional information, please contact me at (510) 684-3671.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Hill", written over a faint circular stamp or watermark.

Steve Hill
Senior Engineer

Enclosure

cc: Gary Chandler, PPEC
David Jenkins, PPEC
Maggie Fitzgerald, URS
John McKinsey, Stoel Rives, LLC
Gerardo Rios, EPA Region 9

Facility (Source) Name (from STEP 1) **Pio Pico Energy Center**

Permit Requirements

STEP 3

Read the standard requirements.

- (1) The designated representative of each affected source and each affected unit at the source shall:
 - (i) Submit a complete Acid Rain permit application (including a compliance plan) under 40 CFR part 72 in accordance with the deadlines specified in 40 CFR 72.30; and
 - (ii) Submit in a timely manner any supplemental information that the permitting authority determines is necessary in order to review an Acid Rain permit application and issue or deny an Acid Rain permit;
- (2) The owners and operators of each affected source and each affected unit at the source shall:
 - (i) Operate the unit in compliance with a complete Acid Rain permit application or a superseding Acid Rain permit issued by the permitting authority; and
 - (ii) Have an Acid Rain Permit.

Monitoring Requirements

- (1) The owners and operators and, to the extent applicable, designated representative of each affected source and each affected unit at the source shall comply with the monitoring requirements as provided in 40 CFR part 75.
- (2) The emissions measurements recorded and reported in accordance with 40 CFR part 75 shall be used to determine compliance by the source or unit, as appropriate, with the Acid Rain emissions limitations and emissions reduction requirements for sulfur dioxide and nitrogen oxides under the Acid Rain Program.
- (3) The requirements of 40 CFR part 75 shall not affect the responsibility of the owners and operators to monitor emissions of other pollutants or other emissions characteristics at the unit under other applicable requirements of the Act and other provisions of the operating permit for the source.

Sulfur Dioxide Requirements

- (1) The owners and operators of each source and each affected unit at the source shall:
 - (i) Hold allowances, as of the allowance transfer deadline, in the source's compliance account (after deductions under 40 CFR 73.34(c)), not less than the total annual emissions of sulfur dioxide for the previous calendar year from the affected units at the source; and
 - (ii) Comply with the applicable Acid Rain emissions limitations for sulfur dioxide.
- (2) Each ton of sulfur dioxide emitted in excess of the Acid Rain emissions limitations for sulfur dioxide shall constitute a separate violation of the Act.
- (3) An affected unit shall be subject to the requirements under paragraph (1) of the sulfur dioxide requirements as follows:
 - (i) Starting January 1, 2000, an affected unit under 40 CFR 72.6(a)(2); or
 - (ii) Starting on the later of January 1, 2000 or the deadline for monitor certification under 40 CFR part 75, an affected unit under 40 CFR 72.6(a)(3).

Facility (Source) Name (from STEP 1) **Pio Pico Energy Center**

Sulfur Dioxide Requirements, Cont'd.

STEP 3, Cont'd.

(4) Allowances shall be held in, deducted from, or transferred among Allowance Tracking System accounts in accordance with the Acid Rain Program.

(5) An allowance shall not be deducted in order to comply with the requirements under paragraph (1) of the sulfur dioxide requirements prior to the calendar year for which the allowance was allocated.

(6) An allowance allocated by the Administrator under the Acid Rain Program is a limited authorization to emit sulfur dioxide in accordance with the Acid Rain Program. No provision of the Acid Rain Program, the Acid Rain permit application, the Acid Rain permit, or an exemption under 40 CFR 72.7 or 72.8 and no provision of law shall be construed to limit the authority of the United States to terminate or limit such authorization.

(7) An allowance allocated by the Administrator under the Acid Rain Program does not constitute a property right.

Nitrogen Oxides Requirements

The owners and operators of the source and each affected unit at the source shall comply with the applicable Acid Rain emissions limitation for nitrogen oxides.

Excess Emissions Requirements

(1) The designated representative of an affected source that has excess emissions in any calendar year shall submit a proposed offset plan, as required under 40 CFR part 77.

(2) The owners and operators of an affected source that has excess emissions in any calendar year shall:

- (i) Pay without demand the penalty required, and pay upon demand the interest on that penalty, as required by 40 CFR part 77; and
- (ii) Comply with the terms of an approved offset plan, as required by 40 CFR part 77.

Recordkeeping and Reporting Requirements

(1) Unless otherwise provided, the owners and operators of the source and each affected unit at the source shall keep on site at the source each of the following documents for a period of 5 years from the date the document is created. This period may be extended for cause, at any time prior to the end of 5 years, in writing by the Administrator or permitting authority:

- (i) The certificate of representation for the designated representative for the source and each affected unit at the source and all documents that demonstrate the truth of the statements in the certificate of representation, in accordance with 40 CFR 72.24; provided that the certificate and documents shall be retained on site at the source beyond such 5-year period until such documents are superseded because of the submission of a new certificate of representation changing the designated representative;

Facility (Source) Name (from STEP 1) Pio Pico Energy Center
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Recordkeeping and Reporting Requirements, Cont'd.

STEP 3, Cont'd.

- (ii) All emissions monitoring information, in accordance with 40 CFR part 75, provided that to the extent that 40 CFR part 75 provides for a 3-year period for recordkeeping, the 3-year period shall apply.
 - (iii) Copies of all reports, compliance certifications, and other submissions and all records made or required under the Acid Rain Program; and,
 - (iv) Copies of all documents used to complete an Acid Rain permit application and any other submission under the Acid Rain Program or to demonstrate compliance with the requirements of the Acid Rain Program.
- (2) The designated representative of an affected source and each affected unit at the source shall submit the reports and compliance certifications required under the Acid Rain Program, including those under 40 CFR part 72 subpart I and 40 CFR part 75.

Liability

- (1) Any person who knowingly violates any requirement or prohibition of the Acid Rain Program, a complete Acid Rain permit application, an Acid Rain permit, or an exemption under 40 CFR 72.7 or 72.8, including any requirement for the payment of any penalty owed to the United States, shall be subject to enforcement pursuant to section 113(c) of the Act.
- (2) Any person who knowingly makes a false, material statement in any record, submission, or report under the Acid Rain Program shall be subject to criminal enforcement pursuant to section 113(c) of the Act and 18 U.S.C. 1001.
- (3) No permit revision shall excuse any violation of the requirements of the Acid Rain Program that occurs prior to the date that the revision takes effect.
- (4) Each affected source and each affected unit shall meet the requirements of the Acid Rain Program.
- (5) Any provision of the Acid Rain Program that applies to an affected source (including a provision applicable to the designated representative of an affected source) shall also apply to the owners and operators of such source and of the affected units at the source.
- (6) Any provision of the Acid Rain Program that applies to an affected unit (including a provision applicable to the designated representative of an affected unit) shall also apply to the owners and operators of such unit.
- (7) Each violation of a provision of 40 CFR parts 72, 73, 74, 75, 76, 77, and 78 by an affected source or affected unit, or by an owner or operator or designated representative of such source or unit, shall be a separate violation of the Act.

Effect on Other Authorities

No provision of the Acid Rain Program, an Acid Rain permit application, an Acid Rain permit, or an exemption under 40 CFR 72.7 or 72.8 shall be construed as:

- (1) Except as expressly provided in title IV of the Act, exempting or excluding the owners and operators and, to the extent applicable, the designated representative of an affected source or affected unit from compliance with any other provision of the Act, including the provisions of title I of the Act relating

Facility (Source) Name (from STEP 1) Pio Pico Energy Center
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Effect on Other Authorities, Cont'd.

STEP 3, Cont'd.

to applicable National Ambient Air Quality Standards or State Implementation Plans;

(2) Limiting the number of allowances a source can hold; *provided*, that the number of allowances held by the source shall not affect the source's obligation to comply with any other provisions of the Act;

(3) Requiring a change of any kind in any State law regulating electric utility rates and charges, affecting any State law regarding such State regulation, or limiting such State regulation, including any prudence review requirements under such State law;


(4) Modifying the Federal Power Act or affecting the authority of the Federal Energy Regulatory Commission under the Federal Power Act; or,

(5) Interfering with or impairing any program for competitive bidding for power supply in a State in which such program is established.

Certification

STEP 4
Read the certification statement, sign, and date.

I am authorized to make this submission on behalf of the owners and operators of the affected source or affected units for which the submission is made. I certify under penalty of law that I have personally examined, and am familiar with, the statements and information submitted in this document and all its attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information, I certify that the statements and information are to the best of my knowledge and belief true, accurate, and complete. I am aware that there are significant penalties for submitting false statements and information or omitting required statements and information, including the possibility of fine or imprisonment.

Name David Jenkins	
Signature 	Date 9/1/2011



Instructions for the Acid Rain Program Permit Application

The Acid Rain Program requires the designated representative to submit an Acid Rain permit application for each source with an affected unit. A complete Certificate of Representation must be received by EPA before the permit application is submitted to the title V permitting authority. A complete Acid Rain permit application, once submitted, is binding on the owners and operators of the affected source and is enforceable in the absence of a permit until the title V permitting authority either issues a permit to the source or disapproves the application.

Please type or print. If assistance is needed, contact the title V permitting authority.

STEP 1 A Plant Code is a 4 or 5 digit number assigned by the Department of Energy's (DOE) Energy Information Administration (EIA) to facilities that generate electricity. For older facilities, "Plant Code" is synonymous with "ORISPL" and "Facility" codes. If the facility generates electricity but no Plant Code has been assigned, or if there is uncertainty regarding what the Plant Code is, contact EIA at (202) 586-4325 or (202) 586-2402.

STEP 2 In column "a," identify each unit at the facility by providing the appropriate unit identification number, consistent with the identifiers used in the Certificate of Representation and with submissions made to DOE and/or EIA. Do not list duct burners. For new units without identification numbers, owners and operators must assign identifiers consistent with EIA and DOE requirements. Each Acid Rain Program submission that includes the unit identification number(s) (e.g., Acid Rain permit applications, monitoring plans, quarterly reports, etc.) should reference those unit identification numbers in exactly the same way that they are referenced on the Certificate of Representation.

Submission Deadlines

For new units, an initial Acid Rain permit application must be submitted to the title V permitting authority 24 months before the date the unit commences operation. Acid Rain permit renewal applications must be submitted at least 6 months in advance of the expiration of the acid rain portion of a title V permit, or such longer time as provided for under the title V permitting authority's operating permits regulation.

Submission Instructions

Submit this form to the appropriate title V permitting authority. If you have questions regarding this form, contact your local, State, or EPA Regional Acid Rain contact, or call EPA's Acid Rain Hotline at (202) 343-9620.

Paperwork Burden Estimate

The public reporting and record keeping burden for this collection of information is estimated to average 8 hours per response. Burden means the total time, effort, or financial resources expended by persons to generate, maintain, retain, or disclose or provide information to or for a Federal agency. This includes the time needed to review instructions; develop, acquire, install, and utilize technology and systems for the purposes of collecting, validating, and verifying information, processing and maintaining information, and disclosing and providing information; adjust the existing ways to comply with any previously applicable instructions and requirements; train personnel to be able to respond to a collection of information; search data sources; complete and review the collection of information; and transmit or otherwise disclose the information. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

Send comments on the Agency's need for this information, the accuracy of the provided burden estimates, and any suggested methods for minimizing respondent burden, including through the use of automated collection techniques to the Director, Collection Strategies Division, U.S. Environmental Protection Agency (2822T), 1200 Pennsylvania Ave., NW., Washington, D.C. 20460. Include the OMB control number in any correspondence. **Do not send the completed form to this address.**

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 September 19, 2011 Regarding Applicant's Application for Acid Rain Permit
Submitted to the San Diego Air Pollution Control District
on or about September 14, 2011**

APPLICANT

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publicadviser@energy.state.ca.us

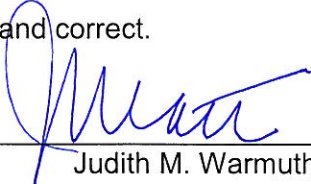
DECLARATION OF SERVICE

I, Judith M. Warmuth, declare that on September 19, 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