



San Joaquin Valley

AIR POLLUTION CONTROL DISTRICT

CERTIFIED MAIL

October 2, 2008

Ed Warner
Northern California Power Agency
P.O. Box 1478
Lodi, CA 95241

DOCKET
08-AFC-10
DATE OCT 02 2008
RECD. OCT 07 2008

COPY

Re: Notice of Receipt of Complete Application
Project Number: N-1083490

Dear Mr. Warner:

The San Joaquin Valley Air Pollution Control District (District) has received your Authority to Construct application for the installation of a 255 MW (nominal) electric power generation plant, at 12751 N Thornton Rd, Lodi. Based on our preliminary review, the application appears to be complete. This means that your application contains sufficient information to proceed with our analysis. However, during processing of your application, the District may request additional information to clarify, correct, or otherwise supplement, the information on file.

During the preliminary review analysis, it appeared that you have proposed to use SO_x Emission Reduction Credits (ERCs) to offset a portion (27.8 tons) of PM₁₀ emissions increase from this project. Using the proposed inter-pollutant offset ratio of 1.11 to 1, it appears that you have sufficient SO_x ERCs available to overcome the shortfall for PM₁₀ emissions. Please note that the District is in the process of determining the appropriate SO_x for PM₁₀ offset ratio for the Northern San Joaquin Valley. Should our analysis result in a higher inter-pollutant ratio than what you have proposed, you will be informed, and you may be required to identify additional SO_x credits.

Furthermore, you have recently proposed to use NO_x ERCs to offset a portion (1.0 ton) of VOC emissions increase from this project. Using an inter-pollutant offset ratio of 1.00 to 1, it appears that you have a sufficient amount of NO_x ERCs available to overcome the ERC shortfall for VOCs. At this time, an inter-pollutant offset ratio of 1.00 to 1 appears appropriate. However, if later, the District determines that a higher inter-pollutant offset ratio number is more appropriate, you will be informed, and you may be required to identify additional NO_x credits.

Per District Rule 2201, Section 5.3, Final Action, the District will not be able to issue the final ATC permits until the requirements of the California Environmental Quality Act have been fully satisfied by the Lead Agency.

Sayed Sadredin

Executive Director/Air Pollution Control Officer

Northern Region

4800 Enterprise Way
Modesto, CA 95356-8718
Tel: (209) 557-6400 FAX: (209) 557-6475

Central Region (Main Office)

1998 E. Gettysburg Avenue
Fresno, CA 93726-0244
Tel: (559) 230-6000 FAX: (559) 230-6061
www.valleyair.org

Southern Region

2700 M Street, Suite 275
Bakersfield, CA 93381-2373
Tel: (661) 326-6900 FAX: (661) 326-6985

Mr. Warner
Page 2 of 2

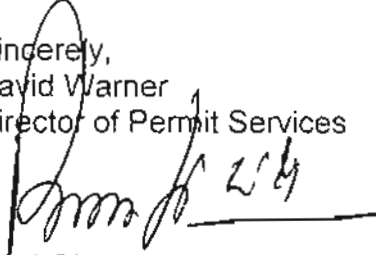
Per your request, the Authority to Construct will be issued with a Certificate of Conformity (COC). Your project will therefore go for EPA Review per District Rule 2520 for a 45-day period at the conclusion of our analysis, prior to the issuance of the final Authority to Construct permits.

We will begin processing your application as soon as possible. In general, complete applications are processed on a first-come first-served basis.

It is estimated that the project analysis process will take 171.2 hours, and you will be charged at the weighted hourly labor rate in accordance with District Rule 3010. This estimate includes the following major processing steps: Determining Completeness (21.2 hours), Engineering Evaluation (60 hours), BACT Analysis (30 hours), Health Risk Assessment (30 hours), CEQA Analysis (20 hours) and Permit Preparation (10 hours). The current weighted labor rate is \$90.00 per hour, but please note that this fee is revised annually to reflect actual costs and therefore may change. No payment is due at this time; an invoice will be sent to you upon completion of this project.

Please note that this letter is not a permit and does not authorize you to proceed with your project. Final approval, if appropriate, will be in the form of ATC permits after application processing is complete. If you have any questions, please contact Mr. Rupi Gill at (209) 557-6400.

Sincerely,
David Warner
Director of Permit Services



Rupi Gill
Permit Services Manager
DW: jk

cc: Gerardo Rios, USEPA Reg. IX
75 Hawthorne St.
San Francisco, CA 94205

Tuan Ngo, California Energy Commission – MS 40
1516 9th Street
Sacramento, CA 95814

Jeff Adkins, Sierra Research
1801 J Street
Sacramento, CA 95814



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AIR POLLUTION CONTROL DISTRICT

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October 2, 2008

Ed Warner
Northern California Power Agency
P.O. Box 1478
Lodi, CA 95241

Re: Potential Federal PSD Applicability, District Project # N-1083490

255 MW (nominal) electric power generation plant consisting of a natural gas-fired combined-cycle gas turbine system (1,885.3 MMBtu/hr turbine and 222 MMBtu/hr duct burner), 7-cell cooling tower system, and 65 MMBtu/hr auxiliary boiler

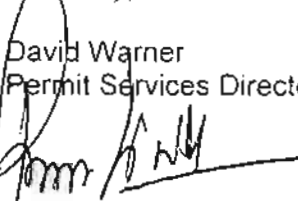
Dear Mr. Warner:

This letter is to inform you that the above referenced project may trigger federal Prevention of Significant Deterioration (PSD) requirements. PSD is a pre-construction approval process that regulates pollutants for which the Valley is in attainment (i.e., nitrogen oxides, sulfur oxides, and carbon monoxide).

The San Joaquin Valley Air Pollution Control District does not have delegation from EPA to implement the federal PSD program. This letter is to inform you that your company is responsible for contacting Gerardo Rios of U.S. EPA at (415) 972-3974 for information on PSD applicability and requirements relative to this project. If PSD approval is required, you must receive EPA's PSD permit prior to construction.

Sincerely,

David Warner
Permit Services Director



Rupi Gill
Permit Services Manager
DW: jk

cc: Gerardo Rios, USEPA Reg. IX
75 Hawthorne St.
San Francisco, CA 94205

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1801 J Street
Sacramento, CA 95814

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