



Antelope Valley Air Quality Management District  
43301 Division St., Suite 206  
Lancaster, CA 93535-4649

661.723.8070  
Fax 661.723.3450

Eldon Heaston, Executive Director

July 6, 2009

Felicia Miller  
California Energy Commission  
1516 Ninth Street  
Sacramento, CA 95814

<b>DOCKET</b>
<b>08-AFC-9</b>
DATE <u>JUL 06 2009</u>
RECD. <u>JUL 06 2009</u>

**Re: Palmdale Hybrid Power Plant Project Offsets**

Dear Ms. Miller:

The Antelope Valley Air Quality Management District (District) has reviewed Palmdale Hybrid Power Project (08-AFC-9) Status Report 4. The District would like to provide the following information in response.

San Joaquin Offsets

Rule 1305(B)(5) explicitly addresses the use of emissions reductions occurring outside the air basin as offsets - no additional rulemaking is necessary by the District or the San Joaquin Valley Air Pollution Control District (SJVAPCD). For your information, documents related to prior transfers from SJVAPCD into the District under Rule 1305 are attached.

Paving Existing Unpaved Road PM<sub>10</sub> Offsets

Rule 1305(B)(3) explicitly addresses the use of area and indirect source actual emission reductions as offsets. No additional rulemaking is necessary to allow the use of actual emission reductions from paving of an existing unpaved road as offsets. The District will use the unpaved road paving emission reduction credit methodology adopted by the Mojave Desert Air Quality Management District in conjunction with Rule 1309.

Offset Package

The project proponent or its representatives have provided evidence of offsets eligible for use pursuant to the provisions of Rule 1305 (as required by Rule 1302(C)(5)). This evidence includes transferable credits in SJVAPCD and existing unpaved roads within the District that will generate sufficient PM<sub>10</sub> credits when paved. The District has placed a requirement on the proposed project that sufficient offsets be surrendered prior to the beginning of actual construction (as required by Rule 1302(D)(5)(b)(ii)) as an element of the PDOC (initial and recently revised).

PROOF OF SERVICE (REVISED 6/30/09 ) FILED WITH  
ORIGINAL MAILED FROM SACRAMENTO ON 7/6/09  
TKG

If you have any questions regarding this letter, please contact me at (760) 245-1661, extension 6726.

Sincerely,

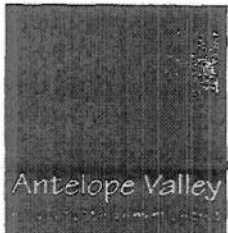
A handwritten signature in black ink, appearing to read 'Alan J. De Salvo', with a long horizontal flourish extending to the right.

**Alan J. De Salvo**  
Supervising Air Quality Engineer

attachments

cc: Laurie Lile, City of Palmdale  
Thomas M. Barnett, Inland Energy  
Michael J. Carroll, Latham & Watkins  
Sara Head, AECOM

AJD            PHPPOffsetStatus.doc



Antelope Valley

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43301 Division St., Suite 206  
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661.723.8070  
Fax 661.723.3450

Eldon Heaston, Executive Director

January 29, 2009

George Jung  
Environmental Engineer  
Lockheed Martin Aeronautics Corporation  
1011 Lockheed Way  
Palmdale, CA 93599

Re: ERC consumption and Permit Issuance for Lockheed Emergency Diesel Generator

Dear Mr. Jung:

The public comment period on the December 4, 2008 proposed addition of one emergency diesel generator expired on January 27, 2009. No comments were received on the proposed actions - the preliminary decision document therefore serves as the final decision document. The Antelope Valley Air Quality Management District (District) will proceed with issuing the appropriate Authorities-To-Construct, and hereby issues ERC Certificate AV0010 to Lockheed Martin Aeronautics Corporation for 8,306 pounds per year (about 22.5 pounds per day) of NO<sub>x</sub> Class A ERCs. A public notice regarding this action will not be published as there were no substantive changes made to the preliminary decision after the opening of the public comment period.

If you have any questions regarding this action, please contact me at (661) 723-8070.

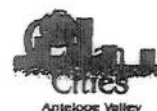
Sincerely,



Bret Banks  
Operations Manager

cc: Director Air Division, USEPA Region IX  
Chief Stationary Source Division, CARB

cja LM Final cover.doc





# San Joaquin Valley

AIR POLLUTION CONTROL DISTRICT

CERTIFIED MAIL

SEP 30 2008

Mike Heydari  
AQMS, LLC  
2001 Barrington Ave, Suite 319  
Los Angeles, CA 90025

**Re: Issuance of Emission Reduction Credit Certificates:  
S-2990-2 and S-2991-2  
Project: S-1084212**

Dear Mr. Heydari:

The Air Pollution Control Officer (APCO) has approved the inter-district transfer of the emission reduction credit (ERC) certificate S-2990-2 to Lockheed Martin located in the Antelope Valley Air Quality Management District. The District Governing Board granted authority to the APCO to approve inter-district transfer of ERCs pursuant to Resolution #99-02-04, approved on February 18, 1999.

Please note that, pursuant to a request from AQMS, the ERC certificate was transferred directly from Pastoria Energy Facility, LLC to Lockheed Martin.

Enclosed is Emission Reduction Credit (ERC) certificate S-2990-2 (NOx) issued to Lockheed Martin in the quarterly amounts requested. The enclosed certificate reflects the transfer from ERC certificate S-2956-2, which is now null and void.

Thank you for your cooperation in this matter. Should you have any questions, please telephone Mr. Leonard Scandura, Permit Services Manager, at (661) 326-6900.

Sincerely,

David Warner  
Director of Permit Services

DW:SPL/ls

Enclosure: ERC certificate S-2990-2

**Syed Sadredin**  
Executive Director/Air Pollution Control Officer

**Northern Region**  
4800 Interstate Way  
Merced, CA 95356-8718  
Tel: (209) 557-6432 FAX: (209) 557-6475

**Central Region (Main Office)**  
1990 S. Castellanos Avenue  
Fresno, CA 93726-0244  
Tel: (559) 250-6900 FAX: (559) 238-6031  
www.sjvpcd.org

**Southern Region**  
2700 M Street, Suite 725  
Bakersfield, CA 93301-2373  
Tel: (661) 326-6900 FAX: (661) 326-6999



**San Joaquin Valley**  
AIR POLLUTION CONTROL DISTRICT

Southern Regional Office • 2700 M Street, Suite 275 • Bakersfield, CA 93301-2370

**Emission Reduction Credit Certificate**  
**S-2990-2**

ISSUED TO: LOCKHEED MARTIN  
 ISSUED DATE: September 25, 2008  
 LOCATION OF REDUCTION: ELK HILLS  
 TUPMAN, CA  
 SECTION: NE35 TOWNSHIP: 30S RANGE: 23E

**For NOx Reduction In The Amount Of:**

Quarter 1	Quarter 2	Quarter 3	Quarter 4
3,000 lbs	3,000 lbs	3,000 lbs	3,000 lbs

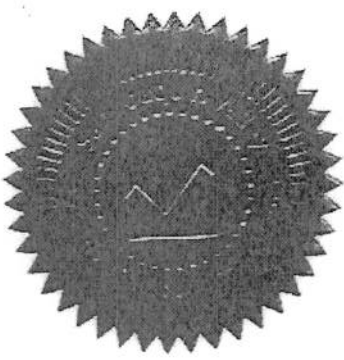
Conditions Attached

Method Of Reduction

- Shutdown of Entire Stationary Source
- Shutdown of Emissions Units
- Other

RETROFIT 31 ENGINES WITH PRECOMBUSTION CHAMBERS: S-2234-9 (4091-017) + 30 OTHERS

Use of these credits outside the San Joaquin Valley Unified Air Pollution Control District (SJVUAPCD) is not allowed without express written authorization by the SJVUAPCD.



Seyed Sadredin, Executive Director / APCO

David Warner, Director of Permit Services

ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT  
GOVERNING BOARD MEETING  
TUESDAY, OCTOBER 21, 2008  
ANTELOPE VALLEY DISTRICT OFFICE  
LANCASTER, CA

MINUTES

Board Members Present:

Ron Smith, Chair, City of Lancaster  
Sherry Marquez, City of Lancaster  
Mike Dispenza, City of Palmdale  
Ken McCoy, Public Member

Board Members Absent:

Vern Lawson, Los Angeles County  
Jim Ledford, Vice Chair, City of Palmdale  
Ron Hawkins, Los Angeles County

**CALL TO ORDER – 11:04 a.m.**

Chair Ron Smith called the meeting to order at 11:04 a.m. Mike Dispenza led the Pledge of Allegiance. Roll Call was taken.

**Agenda Item #1 – Presentation of 2007/2008 Wm. “Pete” Knight Memorial AIRE Awards.** Presenter: Eldon Heaston, Executive Director and Bret Banks, Operations Manager.

Curtis Martin, Alt. Fuel Sales Manager Palmdale Honda was recognized for his innovative methods of raising public awareness about the air quality benefits of alternative fuel vehicles, including the developing the internet’s most comprehensive natural gas vehicle website and for launching the Alt. Fuel Expo portion of “Thunder on the Lot.”

**Agenda Item #2 - PUBLIC COMMENT**

None.

**CONSENT CALENDAR**

**Agenda Item #3 - Approve Minutes from Regular Governing Board Meeting of August 19, 2008.** Presenter: Crystal Bates.

Upon Motion by **DISPENZA**, Seconded by **MARQUEZ**, and carried unanimously, the Board Approved Minutes from Regular Governing Board Meeting of August 19, 2008.

**Agenda Item #4 - The Financial Report provides performance information regarding the revenue and contract expenditures for District operations through June 2008.** Presenter: Jean Bracy.

Upon Motion by DISPENZA, Seconded by MARQUEZ, and carried unanimously, the Board Received and Filed the Financial Report regarding the revenue and contract expenditures for District operations through June 2008.

**Agenda Item #5 - The Financial Report provides performance information regarding the revenue and contract expenditures for District operations for July and August, 2008, the first of fiscal year 2009.** Presenter: Jean Bracy.

Upon Motion by DISPENZA, Seconded by MARQUEZ, and carried unanimously, the Board Received and Filed the Financial Report regarding the revenue and contract expenditures for District operations for July and August, 2008.

**Agenda Item #6 - Amend the FY 09 Budget to increase line item "Web Services" in the amount of \$30,000.** Presenter: Jean Bracy.

Upon Motion by DISPENZA, Seconded by MARQUEZ, and carried unanimously, the Board Amended the FY 09 Budget to increase line item "Web Services" in the amount of \$30,000.

**ITEMS FOR DISCUSSION**

**Agenda Item #7 – DEFERRED**

None.

**CONTINUED ITEMS**

**Agenda Item #8 - Conduct a continued public hearing to consider the amendment of Rule 461 –Gasoline Transfer and Dispensing: a. Open public hearing; b. Receive staff report; c. Receive public testimony; d. Close public hearing; e. Make a determination that the CEQA Categorical Exemption applies; f. Waive reading of Resolution; g. Adopt Resolution making appropriate findings, certifying the Notice of Exemption, amending Rule 461 and directing staff actions.** Presenter: Bret Banks. Bret Banks shared background information and staff recommendation. Chair Ron Smith opened public hearing and requested public comment. None being, Chair Smith closed public hearing. Upon Motion by DISPENZA, Seconded by MCCOY, and carried unanimously, the Board made a determination that the CEQA Categorical Exemption applies; Waived reading of Resolution; Adopted Resolution #08-08 making appropriate findings, certifying the Notice of Exemption, amending Rule 461 and directing staff actions.



## NEW BUSINESS

**Agenda Item #9 – Approve payment to MDAQMD in the total amount of \$266,501.12, subject to availability of funds, for services provided during the months of June, July and August, 2008.** Presenter: Jean Bracy.

Jean Bracy shared background information and staff recommendation. Upon Motion by MCCOY, Seconded by DISPENZA, and carried unanimously, the Board Approved payment to MDAQMD in the total amount of \$266,501.12, subject to availability of funds, for services provided during the months of June, July and August, 2008.

**Agenda Item #10 - Allocate a maximum of \$175,000 of AB 2766 funds to serve as match funding to assist local school districts in replacing school buses eligible under the Lower Emission School Bus Program, and Authorize the Executive Director to negotiate and execute any necessary agreements with the California Air Resources Board (CARB), approved as to legal form to ensure that the program and agreements comply with the Lower Emission School Bus Program Guidelines.**

Presenter: Bret Banks.

Bret Banks shared background information and staff recommendation. Upon Motion by MCCOY, Seconded by DISPENZA, and carried unanimously, the Board Allocated a maximum of \$175,000 of AB 2766 funds to serve as match funding to assist local school districts in replacing school buses eligible under the Lower Emission School Bus Program, and Authorized the Executive Director to negotiate and execute any necessary agreements with the California Air Resources Board (CARB), approved as to legal form to ensure that the program and agreements comply with the Lower Emission School Bus Program Guidelines

**Agenda Item #11 - Adopt resolution approving inter-district and inter-basin transfer of offsets for later use within the District by requestor Lockheed Martin Aeronautical Company (Lockheed Martin).** Presenter: Bret Banks.

Bret Banks shared background information and staff recommendation. Upon Motion by DISPENZA, Seconded by MCCOY, and carried unanimously, the Board Adopted Resolution #08-09 approving inter-district and inter-basin transfer of offsets for later use within the District by requestor Lockheed Martin Aeronautical Company (Lockheed Martin).

## PUBLIC HEARINGS

None.

## **Agenda Item #12 – Presentations**

District Fee Restructuring Evaluation – Bret Banks reported that he spoke to Senator George Runner and his staff regarding the proposed district fee increase. Ron Smith requested a tier system for the increase and it was the general consensus of the Board to get the legislation done now in order to ensure more flexibility. The District is keeping a running list of activities for further development.



Air Quality District Survey – Jean Bracy shared a slide presentation of the 35 Air Districts. Information included the differences in culture, issues and business of the various Districts. Information was also provided on median budget operation and staffing census.

School Bus Grant Overview – Roseana Navarro Brasington shared a slide presentation on school bus retrofits and replacement. Information was also presented on the lower emission school bus program and AB923. Questions were raised regarding the hydrogen injection system.

### **Agenda Item #13 - Reports**

Executive Director – Mr. Heaston reported that the District is on the last phase of the Carl Moyer audit with the Air Resources Board. Roseana Navarro Brasington and Bret Banks were commended for their efforts on the audit. Audit results will be presented to the Board at a future meeting.

District Counsel – None

Operations Manager – Bret Banks thanked Sherry Marquez for the homemade peanut brittle she provided at the meeting.

### **Agenda Item #14 - Board Member Reports and Suggestions for Future Meetings**

None.

### **CLOSED SESSIONS**

**Agenda Item #15 - Closed Session: CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Government Code §54956.9(a)). Name of Case: Natural Resources Defense Council, Communities for a Better Environment, Coalition for a Safe Environment, California Communities Against Toxics vs. South Coast Air Quality Management District; Inland Energy, Mojave Desert Air Quality Management District, Antelope Valley Air Quality Management District, Real Parties in Interest. Superior Court, County of Los Angeles – Southeast District Case No BS110792.** Presenter. Karen K. Nowak.

### **OPEN SESSION**

**Agenda Item #16 - Disclosure of any Reportable action taken in Closed Session; and the Vote and Abstention of every Member Present in the Closed Session.**

No reportable action taken during Closed Session.

The meeting was adjourned at 11:47 a.m. to the next regular Governing Board Meeting, Tuesday, November 18, 2008, 11:00 a.m.



**Mojave Desert Air Quality Management District**

14306 Park Avenue, Victorville, CA 92392-2310

760.245.1661 • fax 760.245.2699

Visit our web site: <http://www.mdaqmd.ca.gov>

Eldon Heaston, Executive Director

September 25, 2007

Yijin Wang  
CalNev Pipeline LLC  
1100 Town and Country Rd  
Orange, CA 92868

**Re: Request for Encumbrance of ERCs in Conjunction with Tank T000103 Permitting Action**

Dear Ms. Wang:

The Mojave Desert Air Quality Management District (MDAQMD) has reviewed your request to encumber (consume) 6998 pounds of PM<sub>10</sub> ERCs from the banked ERCs represented by MDAQMD ERC Certificate Number 0075. This consumption is required to offset the emissions associated with changing the allowed organic liquids to be contained in the storage tank with permit T000193. The MDAQMD has received payment of the fee required by MDAQMD Rule 313(D). Accordingly, the MDAQMD hereby issues CalNev Pipeline LLC a modified certificate that reflects the reduced amount of ERCs banked. Certificate Number 0076 for 546 pounds of NO<sub>x</sub> is enclosed. Certificate Number 0075 has been voided and will be retained on file at the MDAQMD.

If you have any questions regarding this action, please contact me at (760) 245-1661, extension 6726.

Sincerely,

A handwritten signature in black ink, appearing to read "Alan J. De Salvio". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

**Alan J. De Salvio**  
Supervising Air Quality Engineer

AJD

CalNev encmbr.doc

Certificate Number: 0076

Effective Date: September 19, 2007  
Expiration Date: N/A

# Certificate of Ownership

*This certifies that*

Calnev Pipeline LLC

*owns the following Class "A" Emission Reduction Credits:*

*546 pounds NO<sub>x</sub>*

This Certificate of Ownership is issued pursuant to Regulation XIV of the Mojave Desert Air Quality Management District.

See Reverse for Terms and Conditions.

Method of Reduction

Shutdown

Modification

Other: ERC Transfer from SJVAPCD



*Eldon Heaston* 9/25/07

Eldon Heaston  
Executive Director  
Date

**MINUTES OF THE GOVERNING BOARD  
OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT  
VICTORVILLE, CALIFORNIA**

*AGENDA ITEM 11*

**DATE:** June 25, 2007

**RECOMMENDATION:** Adopt Resolution approving inter-district and inter-basin transfer of offsets pursuant to Health & Safety Code (H&S Code) §40709.6 for applicant Calnev Pipeline, LLC (CALNEV).

**SUMMARY:** Adopt resolution to approve the transfer of certain offsets credited and registered within the San Joaquin Valley Unified Air Pollution Control District (SJVUAPCD) for use within the Mojave Desert Air Quality Management District (MDAQMD) by applicant CALNEV

**CONFLICT OF INTEREST:** District board members and officers; CALNEV, its principals and agents.

**BACKGROUND:** H&S Code §40709.6 allows increases in air pollutants at a stationary source located within one air district to be offset by emissions reductions credited in another district under certain circumstances. If the districts are located in two different air basins the source creating the emissions reductions must be in an upwind district with a worse non-attainment status than the downwind district where the credits are to be used (H&S Code §40709.6(a)(1)). In addition, the downwind district must be overwhelmingly impacted by transported air pollution from the upwind district (H&S Code §40709.6(a)(2)). Generally the governing boards of both air districts must approve by resolution the transfer of credits unless such approval authority has been delegated to the APCO (H&S Code 40709.6(d)).

SJVUAPCD is located within the San Joaquin Valley Air Basin (SJVAB) while the MDAQMD is located within the Mojave Desert Air Basin (MDAB). SJVAB has been classified non-attainment and is designated non-attainment for ozone and its precursors pursuant to H&S Code §§40910 et seq. and classified severe for the State Ambient Air Quality Standards (SAAQS). The MDAQMD has been designated non-attainment and is classified moderate pursuant to those same sections. Pursuant to the provisions of H&S Code §39610 the California Air Resources Board (CARB) has designated the MDAB as overwhelmingly impacted by air pollution from SJVAB.

Cc: Karen Nowak

I, MICHELE BAIRD, CLERK OF THE GOVERNING BOARD OF  
MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT  
DISTRICT, HEREBY CERTIFY THE FOREGOING TO BE A  
FULL, TRUE AND CORRECT COPY OF THE RECORD OF  
THE ACTION AS THE SAME APPEARS IN THE OFFICIAL  
MINUTES OF SAID GOVERNING BOARD MEETING.  
\_\_\_\_\_  
CLERK OF THE BOARD  
MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT

**MINUTES OF THE GOVERNING BOARD  
OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT  
VICTORVILLE, CALIFORNIA**

*AGENDA ITEM 11*

**PAGE 2**

Applicant CALNEV is a pipeline company with a permitted facility located within the jurisdiction of the MDAQMD. CALNEV wishes to modify its existing facility causing a small increase in the potential to emit. The permitting of this facility modification by the MDAQMD will require offsets under MDAQMD Regulation XIII. There are currently insufficient offsets available within the MDAQMD to meet the Regulation XIII. In addition there are few, if any facilities with the potential to provide sufficient offsets for such a project within the MDAQMD.

Pursuant to H&S Code §40709.6(d) the SJVUAPCD Governing Board has delegated the approval of offset transfers to its Air Pollution Control Officer. Applicant CALNEV has purchased Oxide of Nitrogen offsets from emissions bank in the SJVUAPCD and has obtained approval for the transfer from the APCO of SJVUAPCD for use of such credits within the MDAQMD (Approval letter attached). CALNEV is requesting the adoption of a resolution approving the transfer of these offsets to be use to satisfy the requirements of Regulation XIII.

**REASON FOR RECOMMENDATION:** H&S Code §40709.6 requires a resolution to effectuate the inter-district and inter-basin transfer of these VOC offsets.

**REVIEW BY OTHERS:** This item was reviewed by Karen Nowak, Deputy District Counsel as to legal form and by Eldon Heaston, Executive Director on or before June 11, 2007.

**FINANCIAL DATA:** No increase in appropriation is anticipated.

**PRESENTER:** Eldon Heaston, Executive Director

MINUTES OF THE GOVERNING BOARD  
OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT  
VICTORVILLE, CALIFORNIA

AGENDA ITEM 11

PAGE 3

ACTION OF THE GOVERNING BOARD

APPROVED and ADOPTED

Upon Motion by **ROBERT CRAIN**, Seconded by **REBECCA VALENTINE**, as approved by the following roll call vote:

Ayes: 9 LEONE, SAGONA, GLASPER, VALENTINE, ROTHSCHILD,  
RIORDAN, PACK, WILSON, CRAIN  
Noes:  
Absent: 5 HANSBERGER, BIANE, CURRAN, MITZELFELT, BERNAL  
Abstain:  
Vacant:

MICHELE BAIRD, CLERK OF THE GOVERNING BOARD

BY Michele Baird

Dated: JUNE 25, 2007

Ref: Resolution #07-07, titled, "A RESOLUTION OF THE GOVERNING BOARD OF THE MOJAVE DESERT AIR QUALITY MANAGEMENT DISTRICT, APPROVING THE INTER-DISTRICT AND INTER-BASIN TRANSFER OF OFFSETS PURSUANT TO HEALTH & SAFETY CODE §40709.6 FOR APPLICANT CALNEV PIPELINE, LLC".

RESOLUTION 07-07

1       **A RESOLUTION OF THE GOVERNING BOARD OF THE MOJAVE DESERT AIR**  
2 **QUALITY MANAGEMENT DISTRICT APPROVING THE INTER-DISTRICT AND INTER-**  
3 **BASIN TRANSFER OF OFFSETS PURSUANT TO HEALTH & SAFETY CODE §40709.6 FOR**  
4 **APPLICANT CALNEV PIPELINE, LLC.**

5       On June 27, 2007, on motion by Member **CRAIN**, seconded by Member **VALENTINE**, and  
6 carried, the following resolution is adopted:

7       **WHEREAS**, Applicant Calnev Pipeline, LLC (CALNEV) wishes to modify its existing facility  
8 located within the jurisdiction of the Mojave Desert Air Quality Management District (MDAQMD); and

9       **WHEREAS**, pursuant to MDAQMD Regulation XIII such a modification will require offsetting  
10 emissions reductions; and

11       **WHEREAS**, the emissions reductions derived from sources within the MDAQMD nonattainment  
12 area and contained within the MDAQMD emissions bank are currently 270,397 lbs/day PM10; 668,573  
13 lbs/day NOx, 97,902 lbs/day VOC, and 637,741 lbs/day CO and 5,577 lbs/day SOx; and

14       **WHEREAS**, many of the reductions contained within the MDAQMD bank have expiration dates,  
15 are already earmarked by the owner for the owner's future expansions, or would be severely discounted  
16 due to the application of the "RACT upon use" doctrine; and

17       **WHEREAS**, there are limited opportunities within the MDAQMD to create additional emissions  
18 reductions; and

19       **WHEREAS**, CALNEV wishes to purchase offset emissions reductions generated within the San  
20 Joaquin Valley Unified Air Pollution Control District for use as offsets for the proposed modification to  
21 its facility within the MDAQMD; and

22       **WHEREAS**, Health and Safety Code (H&S Code) §40709.6 allows increases in air pollutants at a  
23 stationary source located within one air district to be offset by emissions reductions credited in another  
24 district under certain circumstances; and

25       **WHEREAS**, H&S Code §40709.6(a)(1) requires that the source creating the emissions reductions  
26 must be in an upwind district with a worse non-attainment status than the downwind district where the  
27 credits are to be used; and

28       **WHEREAS**, H&S Code §40709.6(a)(2) requires the downwind district must be overwhelmingly  
impacted by transported air pollution from the upwind district; and



## RESOLUTION 07-07

1       **WHEREAS**, H&S Code §40709.6(b) requires the district in which the emissions reductions are  
2 credited is required to determine the type and amount of emissions reductions; and

3       **WHEREAS**, H&S Code §40709.6(c) requires the district in which the emissions reductions are to  
4 be used to determine the impact of the emissions increases in the same manner and to the same extent it  
5 would do so for emissions credits generated within its own district and to adopt a rule regarding the  
6 discount of the transferred emissions reductions; and

7       **WHEREAS**, H&S Code §40709.6(d) requires the transfer to be approved by resolution of both  
8 the governing board of the upwind and the downwind districts after taking into consideration the impact  
9 of the offset transfer on air quality, public health and the regional economy; and

10       **WHEREAS**, the Governing Board of either or both districts may, pursuant to the provisions of  
11 H&S Code §40709.6(d) delegate the approval of such transfers to the Air Pollution Control Officer  
12 (APCO) of the district; and

13       **WHEREAS**, the Governing Board of the SJVUAPCD has delegated this authority to its APCO  
14 pursuant to resolution 99-02-04; and

15       **WHEREAS**, The SJVAPCD is located within the San Joaquin Valley Air Basin (SJVAB); and

16       **WHEREAS**, The MDAQMD is located within the Mojave Desert Air Basin (MDAB); and

17       **WHEREAS**, SJVAPCD has been designated non-attainment and is classified severe for ozone  
18 and its precursors pursuant to H&S Code §§40910 et seq.; and

19       **WHEREAS**, MDAQMD has been designated non-attainment and is classified moderate pursuant  
20 to H&S Code §§40910 et seq.; and

21       **WHEREAS**, Pursuant to the provisions of H&S Code §39610 the California Air Resources Board  
22 (CARB) has designated the MDAB as overwhelmingly impacted by air pollution from SJVAB; and

23       **WHEREAS**, SJVAPCD has determined the type and amount of emissions reductions generated  
24 within its jurisdiction upon the placement of those emissions reductions in the emissions bank for the  
25 SJVAPCD; and

26       **WHEREAS**, MDAQMD Rule 1305(B)(5) allows emissions reductions from outside the air basin  
27 to be used as offsets upon approval of the Air Pollution Control Officer in consultation with CARB and  
28 the U.S. Environmental Protection Agency (USEPA); and



RESOLUTION 07-07

1 ABSENT: 5 MEMBER: HANSBERGER, BIANE, CURRAN, MITZELFELT, BERNAL

2  
3 ABSTAIN: MEMBER:

4 STATE OF CALIFORNIA )  
5 COUNTY OF SAN BERNARDINO ) SS:  
6 )

7  
8 I, Michele Baird, Clerk of the Governing Board of the Mojave Desert Air Quality Management  
9 District, hereby certify the foregoing to be a full, true and correct copy of the record of the action as the  
same appears in the Official Minutes of said Governing Board at its meeting of June 25, 2007

10   
11 Clerk of the Governing Board,  
Mojave Desert Air Quality Management District.



**San Joaquin Valley**  
AIR POLLUTION CONTROL DISTRICT

RECEIVED  
MDAQMD

JUN 11 2007

07 JUL 26 AM 11:17

CERTIFIED MAIL

Yijin Wang  
Calnev Pipeline LLC  
1100 Town and Country Rd  
Orange, CA 92868

**Re: Issuance of Emission Reduction Credit Certificates:  
S-2553-2**

Dear Ms. Wang:

The Air Pollution Control Officer (APCO) has approved the inter-district transfer of the Emission Reduction Credit (ERC) Certificate # S-2553-2 to Calnev Pipeline LLC located in the Mojave Desert Air Quality Management District. The District Governing Board granted authority to the APCO to approve inter-district transfer of ERC's pursuant to Resolution #99-02-04, approved on February 18, 1999.

Section §40709.6(d) of the California Health and Safety Code requires that the District consider the impact of inter-district transfer of emission reduction credits on air quality, public health, and the regional economy. Since the emission reduction credits will be used in another district located downwind from the San Joaquin Valley Air Pollution Control District, no impact on air quality or public health is expected in the San Joaquin Valley. Impact on the regional economy is expected to be negligible, since 7,544 pounds of NOx represent only a small portion (approximately 0.06%) of NOx emission reduction credits available for growth in the District's ERC bank.

Enclosed is ERC Certificate # S-2553-2 issued to Calnev Pipeline, LLC in the amounts specified on the certificate for each quarter of the year. The enclosed certificate reflects the partial transfer of ERC Certificate # S-2496-2, which is now null and void.

Thank you for your cooperation in this matter. Should you have any questions, please telephone Mr. Arnaud Marjollet, Permit Services Manager, at (559) 230-5900.

Sincerely,

David Warner  
Director of Permit Services

DW:ct  
Enclosures

**Sayed Sadredin**  
Executive Director/Air Pollution Control Officer

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[www.valleyair.org](http://www.valleyair.org)

**Southern Region**  
2700 M Street, Suite 275  
Bakersfield, CA 93301-2373  
Tel: (661) 326-6900 FAX: (661) 326-6985



**San Joaquin Valley**  
AIR POLLUTION CONTROL DISTRICT

Southern Regional Office • 2700 M Street, Suite 275 • Bakersfield, CA 93301-2370

**Emission Reduction Credit Certificate**  
**S-2553-2**

ISSUED TO: CALNEV PIPE LINE LLC  
 ISSUED DATE: June 11, 2007  
 LOCATION OF REDUCTION: ELK HILLS  
 TUPMAN, CA  
 SECTION: NE35 TOWNSHIP: 30S RANGE: 23E

**For NOx Reduction In The Amount Of:**

Quarter 1	Quarter 2	Quarter 3	Quarter 4
1,886 lbs	1,886 lbs	1,886 lbs	1,886 lbs

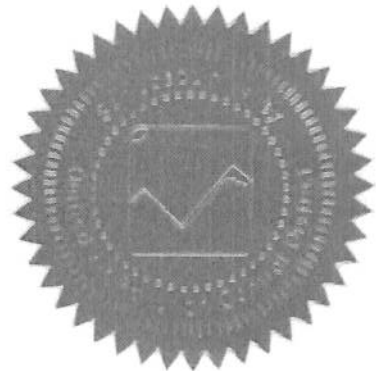
Conditions Attached

Method Of Reduction

- Shutdown of Entire Stationary Source
- Shutdown of Emissions Units
- Other

RETROFIT 31 ENGINES WITH PRECOMBUSTION CHAMBERS: S-2234-9 (4091-017) + 30 OTHERS

Use of these credits outside the San Joaquin Valley Unified Air Pollution Control District (SJVUAPCD) is not allowed without express written authorization by the SJVUAPCD.



Seyed Sadredin, Executive Director / APCO

David Warner, Director of Permit Services



**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](http://WWW.ENERGY.CA.GOV)**

**APPLICATION FOR CERTIFICATION  
For the *PALMDALE HYBRID  
POWER PROJECT***

**Docket No. 08-AFC-9**

**PROOF OF SERVICE  
(Revised 6/30/2009)**

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**DECLARATION OF SERVICE**

I, Teraja` Golston , declare that on, June 06, 2009, I served and filed copies of the attached (08-AFC-9) Palmdale - Antelope Valley AQMD 7-6-09 Comments on Staff Status Report 4. 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/palmdale/index.html>]**. The document has been sent to both the other parties in this 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:**

X sent electronically to all email addresses on the Proof of Service list;

X by personal delivery or by depositing in the United States mail at Sacramento, California with first-class postage thereon fully prepaid and addressed as provided on the Proof of Service list above to those addresses **NOT** marked "email preferred."

**AND**

**For filing with the Energy Commission:**

X 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. 08-AFC-9  
1516 Ninth Street, MS-4  
Sacramento, CA 95814-5512

[docket@energy.state.ca.us](mailto:docket@energy.state.ca.us)

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

Original Signature in Dockets  
Teraja` Golston