

CALIFORNIA ENERGY COMMISSION

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February 2, 2009

Andrea Grenier
Grenier & Associates
1420 East Roseville Parkway, Suite 140-377
Roseville, California 95661

DOCKET	
06-AFC-9C	
DATE	FEB 0 2 2009
RECD.	FEB 0 4 2009

Dear Ms. Grenier:

ROUND 3 DATA REQUESTS 20 to 24 FOR THE COLUSA GENERATING STATION (06-AFC-9C) AMENDMENT #1.

California Energy Commission staff is asking for the information specified in the enclosed third set of data requests. The information requested is necessary to: 1) more fully understand the proposed modifications, 2) assess whether the facility will be constructed and operated in compliance with applicable regulations, 3) assess whether the proposed modifications will result in significant environmental impacts, 4) assess whether the facilities will be constructed and operated in a safe, efficient and reliable manner, and 5) assess potential mitigation measures.

This set of data requests is being made in the technical area of air quality. Written responses to the enclosed data requests are due to the Energy Commission staff on or before March 2, 2009, or at such later date as may be mutually agreeable.

If you are unable to provide the information requested, need additional time, or object to providing the requested information, please notify me within 20 days of receipt of this notice.

If you have any questions, please call me at (916) 651-2072, or email me at drundqui@energy.state.ca.us.

Sincerely,

A handwritten signature in black ink, appearing to read "Dale Rundquist".

Dale Rundquist
Compliance Project Manager
California Energy Commission
1516 Ninth Street, MS-2000
Sacramento, California 95814

Enclosure

**COLUSA GENERATING STATION (06-AFC-9C)
AMENDMENT 1 DATA REQUESTS**

Technical Area: Air Quality
Author: William Walters

Emission Mitigation

BACKGROUND

The project owner provided a revised ERC list, specific to the emission reduction credits (ERCs) that will be used to mitigate the amended project emissions that both included new ERCs and eliminated the use of ERCs that were originally listed by the project owner. Staff's accounting of the offset package shows minor deficiencies in PM10 and SO2 credits that need to be rectified before staff can complete its analysis. Staff also believes that the offset package should be adjusted to provide the most defensible mitigation and that additional information is needed to fully describe the new ERCs being proposed by the project owner.

DATA REQUEST

20. Staff believes that the use of NOx ERCs for NOx offsetting, whenever available, should be used before using VOC for NOx interpollutant offsets. In fact staff's original finding that the mitigation package was acceptable was based on the amount of NOx ERCs being proposed. The project owner has decreased the total available NOx ERCs and has substantially increased the amount of VOC for NOx ERCs proposed. Staff notes that from the following ERCs from the original offset proposal, totaling 41.31 tons of NOx ERCs are no longer being proposed while other pollutants from these certificates are still being proposed for use, so staff believes that the project owner should be able to make these NOx ERCs available for use.

NOx ERC Certificates no longer proposed from certificates otherwise still being used: 06-01-02-03, 06-01-02-04, 06-01-02-05, 06-7-2001-1, 06-07-02-05, 06-06-11-01, and 06-07-02-01.

In addition three of the original certificates proposed, totaling 6.39 tons of NOx ERCs, are no longer proposed for use for any pollutants, but these four certificates are more than compensated for by the four new ERC certificates credits being proposed by the project owner.

Please provide a revised offset package to minimize the use of VOC for NOx interpollutant offsets, at least to the proportion of NOx ERCs originally proposed to offset the NOx emissions, or provide an updated analysis of the appropriateness of the interpollutant offset ratio.

21. Given that staff believes that the use of stationary source ERCs, whenever available, is more definitive, and the California Air Resources Board (CARB) and Environmental Protection Agency (EPA) both support the use of stationary source ERCs, they should be used before using the agricultural burn cessation ERCs. Therefore, staff would want the project owner's offset proposal revised to

**COLUSA GENERATING STATION (06-AFC-9C)
AMENDMENT 1 DATA REQUESTS**

include the Camptonville PM10 ERC source (certificate ERC-9937006-00T). Please provide a revised offset package to minimize the use of agricultural burn cessation ERCs and that also addresses Data Request 24.

22. In order to adequately update our analysis, and the Appendix A Table associated with condition of certification AQ-SC7, please identify the crops associated with each of the four new Emerald Farms agricultural burn cessation ERCs.
23. Staff's accounting of the project owner's annual SO₂ mitigation proposal shows a total of 31,329 lbs of ERCs proposed, while the revised annual emission limit in District Condition 26 is equivalent to 31,380 lbs, which means there is a deficit of 51 lbs to meet staff condition AQ-SC7 requirements. Please identify ERCs or revised annual emission limit proposed to cover this minor mitigation requirement deficit.
24. Staff's accounting of the project owner's annual PM10 mitigation proposal shows a total of 77.89 tons of PM10 ERCs proposed after application of the applicable distance ratios, while the revised annual emission limit in District Condition would require 78.36 tons (103.36 tons emissions minus 25 ton offset threshold) of PM10 offsets per District rules, which means that there is a deficit of 0.47 tons to meet District offset requirements (please note that staff believes that the District's latest version of Condition 27 has an erroneous PM10 value). Please identify ERCs or revised annual emission limits proposed to cover this minor deficit.