

CALIFORNIA ENERGY COMMISSION

1516 NINTH STREET
SACRAMENTO, CA 95814-5512



October 26, 2007

Ms. Deborah Jordan, Director
USEPA, Region 9
Air Programs Division
75 Hawthorne Street
San Francisco, CA 94105

DOCKET 97-AFC-1C	
DATE	<u>OCT 26 2007</u>
RECD.	<u>OCT 26 2007</u>

Dear Ms. Jordan:

REQUEST FOR USEPA CONCURRENCE REGARDING TWO AIR QUALITY AMENDMENT REQUESTS – HIGH DESERT POWER PROJECT (97-AFC-1C)

The purpose of this letter is to request your concurrence with one approved and one proposed amendment to the air quality conditions of certification for the High Desert Power Project (HDPP). Energy Commission staff have been working with Gerardo Rios and his staff for several months to obtain concurrence with these proposed changes.

The first amendment was approved by the Energy Commission on October 20, 2004, eliminating durational limits on startups while leaving all emission limits unchanged. This modification was also approved by the Mojave Desert Air Quality Management District (MDAQMD). The reason for approving the amendment is that Energy Commission and MDAQMD staff determined that this would allow HDPP to startup their turbines sequentially in order to minimize thermal stress on both the combustion turbines and the steam turbine generator while maintaining emissions at or below the pre-existing limits. The end result is improved plant reliability with no negative environmental consequences.

The second amendment petition from HDPP is dated August 30, 2006. This petition requests that the interval for source testing for nitrous oxide (NOx) and carbon monoxide (CO) be extended from every year to every five years, and other changes not covered in the Prevention of Significant Deterioration (PSD) permit. The reason for this request is that HDPP believes that the existing Continuous Emissions Monitoring System (CEMS), in combination with an annual Relative Accuracy Test Audit (RATA) of the CEMS is reliable and is sufficient to ensure that the facility will remain within its emission limits for these pollutants. The second amendment petition also requests other technical changes, including correction of a typographical error in the drafting of condition AQ-30 in the October 20, 2004 amendment Order that erroneously placed limits on the power block instead of individual equipment. This change was not intentional.

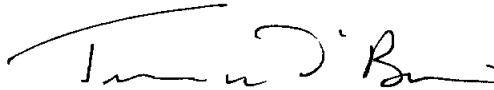
MDAQMD has already incorporated these changes in the HDPP Title V Permit under their delegated authority. Although we were informed by your staff in a conversation on June 20, 2007, that corresponding approval of these changes in HDPP's PSD permit would be forthcoming in the near future, at this time it has not yet occurred. We understand that you have had some staff turnover, and your office has a full agenda of project applications and other matters. However, given the prolonged period of time the HDPP requests have been under review, we ask you to place a higher priority on the processing of these requested changes. Without the PSD permit changes, HDPP cannot implement these modifications.

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If you have any questions or need additional information, you may contact me at (916) 654-3933, or your staff may contact Tuan Ngo of the Energy Commission air quality staff at (916) 654-3852, or Compliance Project Manager Steve Munro at (916) 654-3936. I appreciate your assistance with this matter.

11-39A-TP

Sincerely,



TERRENCE O'BRIEN
Deputy Director for Energy Facilities Siting

cc: Jon Boyer, High Desert Power Project, LLC