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**EXECUTIVE OFFICER/
AIR POLLUTION
CONTROL OFFICER**

November 1, 2001

Tesla Power Project
7445 Southfront Road
Livermore CA 94550

Attention: Scott Busa, Project Development Manager

Application Number: 3506
Equipment Location: Tracy, CA 95377

**DOCKET
01-AFC-21**

DATE NOV 01 2001
RECD. NOV 01 2001

Dear Mr. Busa:

Your application for an Authority to Construct and Permit to Operate the following equipment:

- S-1 Gas Turbine #1
- S-2 HRSG #1 Duct Burner
- S-3 Gas Turbine #2
- S-4 HRSG #2 Duct Burner
- S-5 Gas Turbine #3
- S-6 HRSG #3 Duct Burner
- S-7 Gas Turbine #4
- S-8 HRSG #4 Duct Burner
- S-9 Fire Pump Engine
- S-10 Standby Diesel Generator

has been assigned the above application number and is currently not complete pursuant to District Regulation 2-1-202.

To complete our evaluation of your application, we require the following items:

1. Pursuant to District Regulation 3, permit fees of \$487,071.00 are due. A summary of the fees is attached for your information. The cooling towers are exempt from permit since their projected PM10 emissions are less than 5 tons per year each. The fees for the fire pump engine and standby generator may be revised to reflect the actual heat input rating (in MM BTU/hr) of each engine.
2. Please complete and return the enclosed C data forms for the fire pump engine and standby generator. In addition, please submit any manufacturer's literature/specifications for the engines, if available.
3. Please be advised that as we continue our review of your application, we may require more information to determine the air quality impact of the Tesla Power Plant.

Please submit the information requested above and any fees within 45 days to prevent cancellation of the application. Make your check payable to the

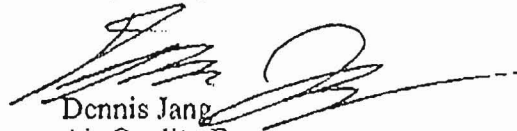
Application 3506
November 1, 2001
Page 2

"BAAQMD", note your application number on the check, and include the enclosed remittance copy. Your application will be acted upon within 21 days of receipt of the above items. Construction or operation of equipment without an Authority to Construct or Permit to Operate will result in appropriate enforcement action.

Under the California Public Records Act, all information in your permit application will be considered a matter of public record and may be disclosed to a third party. If you wish to keep certain items separate as specified in Regulation 2, Rule 1, Section 202.7, please circle those items in your submittals, write "confidential" at the top of the page, and append a written explanation for your confidentiality request.

Please include your application number with any correspondence with the District. If you have any questions, please contact me at Tel: (415) 749-4707, Fax: (415) 749-5030, or E-mail: djang@baaqmd.gov.

Very truly yours,



Dennis Jang
Air Quality Engineer
Permit Services Division

DTJ:dj
Attachment

Application 3506
November 1, 2001
Page 3

Remittance Copy

Fcc Summary^a

| Source | Filing Fee | Initial Fee | TAC Surcharge | Sub-Total |
|--------------------------|------------|-------------|------------------|--------------|
| Turbine S-1 | \$238.00 | \$52,834.40 | \$52,834.40 | \$105,906.80 |
| Duct Burner S-2 | \$238.00 | \$7,668.50 | \$7,668.50 | \$15,575.00 |
| Turbine S-3 | \$238.00 | \$52,834.40 | \$52,834.40 | \$105,906.80 |
| Duct Burner S-4 | \$238.00 | \$7,668.50 | \$7,668.50 | \$15,575.00 |
| Turbine S-5 | \$238.00 | \$52,834.40 | \$52,834.40 | \$105,906.80 |
| Duct Burner S-6 | \$238.00 | \$7,668.50 | \$7,668.50 | \$15,575.00 |
| Turbine S-7 | \$238.00 | \$52,834.40 | \$52,834.40 | \$105,906.80 |
| Duct Burner S-8 | \$238.00 | \$7,668.50 | \$7,668.50 | \$15,575.00 |
| Cooling Tower #1 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Cooling Tower #2 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Fire Pump Engine | \$238.00 | \$167.00 | \$167.00 | \$572.00 |
| Standby Generator | \$238.00 | \$167.00 | \$167.00 | \$572.00 |
| Grand Total ^b | | | | \$487,071.00 |
| Amount Paid | | | | \$0.00 |
| Amount Due | | | | \$487,071.00 |

^aTo obtain a copy of BAAQMD Regulation 3 (Fccs) contact the BAAQMD Public Information & Education Office at (415) 749-4900 or visit our website at www.baaqmd.gov.

^bfccs are rounded to the nearest dollar

Tesla Power Plant

| Source | Max. Heat Input MM BTU/hr | Filing Fee | Initial Fee | TAC Surcharge | Sub-Total w/o P/O Fee | Permit to Operate | Sub-Total w P/O |
|-------------------|------------------------------|------------|-------------|---------------|--------------------------|-------------------|--------------------|
| Turbine S-1 | 1688 | \$238.00 | \$52,834.40 | \$52,834.40 | \$105,906.80 | \$26,417.20 | \$132,324.00 |
| Duct Burner S-2 | 245 | \$238.00 | \$7,668.50 | \$7,668.50 | \$15,575.00 | \$3,834.25 | \$19,409.25 |
| Turbine S-3 | 1688 | \$238.00 | \$52,834.40 | \$52,834.40 | \$105,906.80 | \$26,417.20 | \$132,324.00 |
| Duct Burner S-4 | 245 | \$238.00 | \$7,668.50 | \$7,668.50 | \$15,575.00 | \$3,834.25 | \$19,409.25 |
| Turbine S-5 | 1688 | \$238.00 | \$52,834.40 | \$52,834.40 | \$105,906.80 | \$26,417.20 | \$132,324.00 |
| Duct Burner S-6 | 245 | \$238.00 | \$7,668.50 | \$7,668.50 | \$15,575.00 | \$3,834.25 | \$19,409.25 |
| Turbine S-7 | 1688 | \$238.00 | \$52,834.40 | \$52,834.40 | \$105,906.80 | \$26,417.20 | \$132,324.00 |
| Duct Burner S-8 | 245 | \$238.00 | \$7,668.50 | \$7,668.50 | \$15,575.00 | \$3,834.25 | \$19,409.25 |
| Cooling Tower #1 | 0 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Cooling Tower #2 | 0 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Fire Pump Engine | 368 bhp | \$238.00 | \$167.00 | \$167.00 | \$572.00 | \$132.00 | \$704.00 |
| Standby Generator | 985 bhp | \$238.00 | \$167.00 | \$167.00 | \$572.00 | \$132.00 | \$704.00 |
| | | | | | \$487,071 | \$121,270 | \$608,341 |