

DOCKETED

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Project Title:	Sutter Power Plant Application for Certification
TN #:	230269
Document Title:	Applicant's Petition to Amend AQ-32
Description:	N/A
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Organization:	Ellison Schneider Harris & Donlan LLP
Submitter Role:	Applicant
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Jeffery D. Harris
jdh@eslawfirm.com

October 17, 2019

John Heiser
Project Manager
Siting, Transmission and Environmental Protection (STEP) Division
California Energy Commission
1516 Ninth Street, MS-15
Sacramento, CA 95814
E-Mail: John.Heiser@energy.ca.gov

RE: Sutter Energy Center (97-AFC-02C): Petition for Modification: AQ-32

Dear Mr. Heiser:

On behalf of CCFC Sutter Energy Center, LLC (“Project Owner”), attached is the Petition for Modification (“Petition”) for the Sutter Energy Center (“SEC”).

Consistent with the request made to the Feather River Air Quality Management District for SEC’s Title V Permit, the Project Owner is proposing to amend Condition AQ-32 related to startup and shutdown hours. The request is due primarily to changes in market conditions, which are causing facilities like SEC to operate for fewer hours, but cycle on and off more frequently to support the integration of renewable energy resources in furtherance of the State’s Renewable Portfolio Standard and Climate Goals, among other important objectives. There are no changes proposed for startup and shutdown emissions limits, and the modification does not result in an increase to daily, quarterly, annual, or other emission limits for the SEC.

If you have any questions, please contact Barbara McBride at Barbara.McBride@calpine.com.

Sincerely,

/s/
Jeffery D. Harris
Samantha G. Neumyer
Ellison Schneider Harris & Donlan LLP

Petition for Modification of Condition of Certification AQ-32

(97-AFC-02C)

CCFC Sutter Energy, LLC

Sutter Energy Center

Yuba City, California

Submitted to
California Energy Commission

Submitted by
CCFC Sutter Energy, LLC



Prepared by
Atmospheric Dynamics, Inc.



ATMOSPHERIC DYNAMICS, INC
Meteorological & Air Quality Modeling

October 2019

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Attachment 1 Feather River Air Quality Management District Authority to Construct Application (September 2019)

SECTION 1.0

Introduction

CCFC Sutter Energy, LLC (“Project Owner”) submits this Petition for Modification to amend the certification for the Sutter Energy Center (“SEC”). Specifically, the project owner seeks to remove subsections 5 and 6 of Condition of Certification AQ-32 to conform the condition to requested changes to the SEC’s Title V Operating Permit.¹ The request to remove the total number of start hours from the permit is due in part to changing market conditions, and will provide the SEC with increased operational flexibility to meet grid reliability needs.

Pursuant to Title 20 of the California Code of Regulations (“CCR”), Section 1769(a)(3)(B), the Project Owner requests California Energy Commission (“CEC”) Staff approval of the *Petition* for the following reasons: (1) there is no possibility that the modification may have a significant effect on the environment; (2) the SEC will continue to comply with applicable laws, ordinances, regulations, and standards (“LORS”); and (3) the modification does not result in an increase to daily, quarterly, annual, or other emission limit for the SEC.

1.1 Description of the Proposed Change

The Siting Regulations require a competition description of the proposed change, including new language for any affected conditions of certification. (Title 20, CCR, Sections 1769 (a)(1)(A)).

The Project Owner proposes removal of subsections 5 and 6 of Condition AQ-32, which would remove the limitations on startup and shutdown hours for the SEC as follows:

AQ-32 (Part 5 and Part 6) (CEC 2018)

~~5. The maximum duration of startups per for both CTGs shall be 800 hours per year and 204 hours per calendar quarter.~~

~~6. The maximum duration of shutdowns per for both CTGs shall be 600 hours per year, and 152 hours per calendar quarter.~~

1.2 Necessity of the Proposed Change

The Siting Regulations require a discussion of the necessity for the proposed change. (Title 20, CCR, Sections 1769 (a)(1)(B)). The proposed modification is necessary to conform the CEC’s certification to requested changes to the Title V permit to remove the limitations on the

¹ On September 21, 2018 the Energy Commission approved a petition to modify subsections 5 and 6 of Condition AQ-32 for the Sutter Energy Center, LLC by revising the total number of startup and shutdown events.

startup and shutdown hours for the facility. This modification will also allow the facility much needed operational flexibility to respond to grid reliability needs and market conditions.

1.3 Description of New Information or Change in Circumstance that Necessitated the Change

Section 1769(A)(1)(C) requires a description of any new information or change in circumstances that necessitate the change. As the CEC is well aware, facilities such as SEC have to cycle on and off much more frequently than originally anticipated in order to support the State's renewable energy goals, which require that an increasing percentage of electricity be provided by renewable energy resources. This increase in startup and shutdown cycling has caused SEC to utilize more start/shutdown hours than it utilized historically, and since the facility was permitted. This trend is expected to continue and will likely become even more pronounced as increasing amounts of largely intermittent wind and solar renewable generation are integrated into the grid to meet the State's 2030 Renewable Portfolio Standard goals. In sum, while facilities like the SEC are being operated for fewer hours, they are being started and stopped more often than could have been anticipated when originally permitted.

Because these conditions were not anticipated during the permitting and construction phases of SEC, the Project Owner proposes the deletion of subsections 5 and 6 of Condition AQ-32, which limits the number of startup and shutdown hours on a quarterly and annual basis, without making any changes to the existing startup and shutdown emissions limits. In addition, although emissions during startup and shutdown events count towards compliance with the quarterly and annual mass emissions limits, no changes in the quarterly and annual limits are proposed, and SEC will remain in compliance with these limits. Thus, the modification will result in a New Source Review (NSR) balance of zero.

1.4 Summary of Environmental Impacts

The CEC Siting Regulations require that an analysis be conducted to address the potential impacts the proposed modifications may have on the environment, and proposed measures to mitigate any potentially significant adverse impacts (Title 20, CCR, Section 1769 (a)(1)(D)). The regulations also require a discussion of the impact of the modification on the facility's ability to comply with applicable LORS (Section 1769 (1)(a)(E)). Section 2.0 of this *Petition* concludes that there will be no potential environmental impacts associated with the modifications, and that the project as modified will comply with all applicable LORS.

SECTION 2.0

Environmental and LORS Compliance Analysis of Proposed Project Modifications

The proposed modifications to the SEC would be limited to the deletion of subsections 5 and 6 of Condition AQ-32 Parts 5 and 6. For the environmental disciplines of Air Quality and Public Health, additional evaluation and verification by technical resource experts was undertaken, as described in this *Petition*. The proposed modification will not affect any other technical disciplines because, as demonstrated below, there is no possibility that the proposed modification will have a significant effect on the environment because there will be no

increases to the emissions limits for the facility, no new ground disturbance, and no physical changes to the SEC or related facilities.

For the environmental disciplines of Air Quality and Public Health, additional evaluation and verification by technical resource experts were conducted. The results are set forth below.

2.1 Air Quality

The proposed modification will not have a significant impact on Air Quality for the following reasons:

1. The current Title V permit specifically states that startup and shutdown emissions count towards compliance with all applicable emissions limits. This proposed permit modification will not require any changes to any emission limits (hourly, daily, quarterly or annual).
2. SEC already tracks and reconciles startup and shutdown emissions towards all applicable emissions limitations in the Title V permit, and this request would not change this tracking in any way. There is no potential for exceeding the currently permitted annual limits as all emissions including startup/shutdown and base load operations are tracked via CEMs and/or fuel use with emission factors.
3. The Project Owner is not proposing to change or amend any emissions limitation in the current Title V permit.
4. Despite any increase in the number of startup and shutdown events, the post modification NSR balance for each pollutant will be zero; the change will not result in any increase in plant-wide emissions.

For the foregoing reasons, SEC is proposing to revise AQ-32 to remove subsections 5 and 6 in its entirety. This will then harmonize the Conditions of Certification with the current Title V Operating Permit. The removal of this condition will not affect the existing annual plant-wide emissions limits and will not result in any increase in daily, quarterly or annual emissions for any criteria pollutant.

2.1.1 Potential Impacts

The proposed modification is not expected to cause any significant change to air quality.

The modification simply adds operational flexibility while maintaining emissions at their current permitted levels. As such a revised air quality analysis was not required. Based on the nature of the proposed action, no significant impacts to Air Quality are anticipated as a result of the proposed deletion of subsections 5 and 6 of Condition AQ-32.

2.1.2 Mitigation Measures

As noted above in Section 2.0 the proposed modification will not result in any emissions increases above current permitted limits. Thus, no additional mitigation measures are proposed.

2.2 Public Health

The proposed modification will not have a significant impact on Public Health.

2.2.1 Potential Impacts

The modification adds operational flexibility while maintaining emissions at their current permitted levels. As such a revised Public Health analysis was not required. Based on the nature of the proposed modification, no significant impacts to Public Health are anticipated as a result of the proposed modification.

2.2.2 Mitigation Measures

The impact on Public Health as a result of the proposed modification is less than significant, and will, therefore, not require additional mitigation measures.

2.3 LORS

The project, as modified, will continue to comply with all applicable LORS.

SECTION 3.0 Potential Effects on the Public

This section discusses the potential effects on the public that may result from the modification proposed in this Petition for Modification application, pursuant to CEC Siting Regulations (Title 20, CCR, Section 1769(a)(1)(F)).

The proposed modification will not result in adverse effects on the public. No emissions increases are proposed or were identified as a result of the proposed modification.

SECTION 4.0 List of Property Owners

A list of current assessor's parcel numbers and owners' names and addresses for all parcels within 500 feet of any affected project linears and 1000 feet of the project site will be provided under separate cover upon request by the Compliance Project Manager (Title 20, CCR, Section 1769(a)(1)(G)).

SECTION 5 Potential Effects on Property Owners

This section addresses potential effects of the proposed modification on nearby property owners, residents, and the public (Title 20, CCR, Section 1769(a)(1)(H)).

The project, as modified, will not differ in potential effects on adjacent land owners, compared with the project as previously proposed. The project, therefore, would have no adverse effects on nearby property owners, the public, or other parties in the application proceeding.

SECTION 6**Applicable Exemptions from the California Environmental Quality Act (CEQA)**

Title 20, CCR, Section 1769(a)(1)(I) provides for a discussion of any exemptions from the California Environmental Quality Act may apply to approval of the proposed change.

CEQA provides an exemption for certain air quality permits: “CEQA does not apply to the issuance, modification, amendment, or renewal of any permit by an air pollution control district or air quality management district pursuant to Title V, as defined in Section 39053.3 of the Health and Safety Code, or pursuant to an air district Title V program established under Sections 42301.10, 42301.11, and 42301.12 of the Health and Safety Code, unless the issuance, modification, amendment, or renewal authorizes a physical or operational change to a source or facility.” (4 CCR § 15281.) In this case, there are no physical changes to the Sutter Energy Center and no operational changes as there are no changes in the quarterly and annual limits are proposed, and SEC will remain in compliance with these limits.

Activities are also exempt from CEQA under the “Common Sense Exemption.” “CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.” (14 CCR § 15061(b)(3).) In this case, no changes in the quarterly and annual limits are proposed, and SEC will remain in compliance with these limits, and the modification will result in a New Source Review (NSR) balance of zero.

Moreover, these modifications would constitute a negligible change in an existing use for an existing facility, and are therefore exempt from CEQA pursuant to Section 15301 of the CEQA Guidelines: “Class 1 consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of existing or former use.” (14 CCR § 15301.)

ATTACHMENT 1
Feather River Air Quality Management District
ATC Application

CCFC SUTTER ENERGY, LLC

717 TEXAS AVENUE
SUITE 1000
HOUSTON, TX 77002

February 25, 2019

Mr. Christopher Brown, AICP
Air Pollution Control Officer
Feather River Air Quality Management District
541 Washington Avenue
Yuba City, CA 95991

■

Subject: Sutter Energy Center (P13005) Permit Modification

Dear Mr. Brown

CCFS Sutter Energy Center, LLC (SEC) is proposing to modify the existing Title V Permit Condition 17, which established a limit on the total number of startup hours at the facility to 204 hours per quarter and 800 hours per year for both turbines combined. For the shutdown hours, the same condition limits the facility to 152 hours per quarter and 600 hours per year, for both turbines combined. SEC is requesting that the District remove these limits on the quarterly and annual startup and shutdown hours for both turbines combined and delete Condition 17 in its entirety. SEC is not requesting any modification of the mass emissions limits that apply during startup and shutdown events or the existing quarterly and annual mass emission limits; those conditions would remain in place and not change.

The request to remove the total number of start hours from the permit is due in part to changing market conditions. As you may know, facilities such as SEC have to cycle on and off much more frequently than originally anticipated in order to support the State's renewable energy goals, which require that an increasing percentage of electricity be provided by renewable energy resources. This increase in startup and shutdown cycling has caused SEC to utilize more start/shutdown hours than it utilized historically and since the facility was permitted. Based on the continued proliferation of renewable energy sources and the State's increasingly aggressive renewable energy targets, this trend is expected to continue and will likely become even more pronounced as increasing amounts of largely intermittent wind and solar generation are integrated into the grid to meet the 2030 target of generating 60% of all retail sales from renewable energy resources. In sum, plants like SEC are being operated for fewer hours, but are being started and stopped more often than could have been anticipated when originally permitted.

Because these conditions were not anticipated during the permitting and construction phases of SEC, we are requesting that Condition 17, which limits the number of startup and shutdown hours

on a quarterly and annual basis, be deleted in its entirety, without making any changes to the existing startup and shutdown emissions limits. In addition, although emissions during startup and shutdown events count towards compliance with the quarterly and annual mass emissions limits, no changes in the quarterly and annual limits are proposed and SEC will remain in compliance with these limits. Thus, the modification will result in a New Source Review (NSR) balance of zero.

The current Title V permit was issued on April 4th, 2018. Under the Federally Enforceable Requirements, Equipment Specific Condition 17 provides as follows:

17. The maximum cumulative hours of startups and shutdowns for both gas turbines shall not exceed the following limits:

[97-AFC-2C §AQ-32.5-6]

Mode of Operation	Maximum Cumulative Hours of Operation in the Specified Mode of Operation for both Gas Turbines	
	hours/quarter	hours/year (a)
Startups	204	800
Shutdowns	152	600

(a) Based on a 12-month rolling average.

SEC is requesting that this Title V condition be removed. As per the requirements of Conditions 18 and 19 in the monitoring section of the current Title V permit, the facility’s CEMS will continuously track the emissions during all modes of operation, including each startup and shutdown event, and monitored emissions are then used to track the quarterly and annual compliance limits as per Title V Condition 4. No changes are proposed to Title V Condition 3 (daily emission limits) or any other permit condition.

The basis for the proposed change in the Title V permit is based on the following:

1. The current Title V permit specifically states that startup and shutdown emissions count towards compliance with all applicable emissions limits. This proposed permit modification will not require any changes to any emission limits (hourly, daily, quarterly or annual).
2. SEC already tracks and reconciles startup and shutdown emissions towards all applicable emissions limitations in the Title V permit, and this request would not change this tracking in any way. There is no potential for exceeding the currently permitted annual limits as all emissions including startup/shutdown and base load operations are tracked via CEMs and/or fuel use with emission factors.

3. The applicant is not proposing to change or amend any emissions limitation in the current Title V permit.
4. Despite any increase in the number of startup and shutdown events, the post modification NSR balance for each pollutant will be zero; the change will not result in any increase in plant-wide emissions.

For the foregoing reasons, SEC is proposing to remove Condition 17 in its entirety. The removal of this condition will not affect the existing annual plant-wide emissions limits and will not result in any increase in daily, quarterly or annual emissions for any criteria pollutant.

We have included the applicable Authority to Construct/Permit to Operate forms as part of this permit modification request. Also included with the permit modification is a check for \$138.00 which covers the application filing fee. Thank you for your attention in this matter. If you have any questions, or require additional information, please contact me at 925-570-0849.

Sincerely,

A handwritten signature in black ink, appearing to be 'B. McBride', with a long horizontal line extending to the right.

Barbara McBride
Director Environmental, Health and Safety
Calpine Corporation

Feather River Air Quality Management District

**Application for Authority to Construct /
Permit to Operate**

Cover Form – all applications



541 Washington Avenue
Yuba City, CA 95991
(530) 634-7659
FAX (530) 634-7660
www.fraqmd.org

Christopher D. Brown AICP
Air Pollution Control Officer

Filing Fee \$134.00 (non-refundable and to be submitted with this application)

Additional fees will be assessed pursuant to District Rule 7.7 at an hourly rate to cover costs of assessment, processing, and evaluation of the application. Inspections of the site and Hearing Board costs are additional. These fees do not include State costs incurred pursuant to Section 44380 of the California Health and Safety Code. Fees are subject to change. If you store blank forms, please check with the District for updated information before filing.

DIRECTIONS: Please provide all information requested in this application. Fill in the information exactly as you would like it to appear on the permit (including punctuation, capitalization, and abbreviations). If applicable, please complete the associated supplemental form for each piece of equipment or process and attach it to this application. If there is no supplemental form, please describe your project and attach extra pages, as necessary. **Incomplete applications will delay processing.** Construction must not be started until the Authority to Construct has been issued.

SECTION I COMPANY / OWNERSHIP INFORMATION		FRAQMD PERMIT # (if existing): P13005	
COMPANY NAME (as it will appear on the permit):		CCFC Sutter Energy, LLC	
COMPANY CONTACT:	Andrew Gundershaug	TITLE:	Plant Manager
PHONE:	530-821-2072	FAX:	
		E-MAIL:	

SECTION II FACILITY INFORMATION			
FACILITY NAME (if different than Company Name):		Sutter Energy Center	
FACILITY LOCATION / ADDRESS:		5029 South Township Road	
CITY:	Yuba City	STATE:	CA
		ZIP CODE:	95993
ON-SITE CONTACT:	Michael Buzdas	TITLE:	EHS Specialist
PHONE:	530-821-2074	FAX:	
		E-MAIL:	

SECTION III PERMIT TO OPERATE MAILING / BILLING INFORMATION			
NOTE: THIS IS WHERE ALL ANNUAL RENEWAL INVOICES AND PERMIT RENEWALS WILL BE MAILED TO			
MAILING NAME:		CCFC Sutter Energy Center, LLC	
MAILING ADDRESS:		5029 South Township Road	
CITY:	Yuba City	STATE:	CA
		ZIP CODE:	95993
MAILING CONTACT:	Andrew Gundershaug	TITLE:	Plant Manager
PHONE:	530-821-2072	FAX:	
		E-MAIL:	

SECTION IV CONTRACTOR INFORMATION (for Authority to Construct Permits)			
COMPANY NAME:		N/A	
MAILING ADDRESS:			
CITY:		STATE:	
		ZIP CODE:	
MAILING CONTACT:		TITLE:	
PHONE:		FAX:	
		E-MAIL:	
IS THE CONTRACTOR ACCEPTING BILLING FOR THE AUTHORITY TO CONSTRUCT INVOICES?			<input type="checkbox"/> Yes

FOR FRAQMD USE ONLY				
RECEIPT #:	DATE:	RECEIVED BY:	FACILITY ID:	A/C#:

Application for Authority to Construct / Permit to Operate – Cover Form

	<input type="checkbox"/> No
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SECTION V CONSTRUCTION SCHEDULE & SCOPE OF WORK

ESTIMATED START DATE:	TBD / Upon Approval	ESTIMATED COMPLETION DATE:	TBD / Upon Approval
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OR

IF THE EQUIPMENT HAS ALREADY BEEN INSTALLED, ENTER THE DATE INSTALLED:	N/A
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DESCRIBE THE SCOPE OF THE WORK TO BE PERFORMED AND LIST EQUIPMENT TO BE CONSTRUCTED, MODIFIED, OR PUT UNDER PERMIT. ATTACH FEATHER RIVER AQMD SUPPLEMENTAL FORM(S) AND SUPPORTING DOCUMENTATION AS NECESSARY. THE DISTRICT RESERVES THE RIGHT TO REQUEST ADDITIONAL INFORMATION IF NEEDED.

CCFC Sutter Energy Center, LLC (SEC) is proposing to delete Condition 17 of its existing Title V Permit, which establishes limits on the number of startup and shutdown hours. The request is due to a change in market conditions, which is causing facilities like SEC to operate for fewer hours, but cycle on and off more frequently to support the State's renewable energy goals. There is no change proposed for startup and shutdown emissions limits, quarterly or annual mass emissions limits, or any other permit condition. See attached cover letter for further detail.

SECTION VI CONFIDENTIAL INFORMATION

All information submitted to obtain an Authority to Construct/Permit to Operate is considered public information as defined by California Government Code section 6254.7 unless specifically marked as a trade secret by the applicant. Each document containing trade secrets must be separated from all non-privileged documents. Each document, which is claimed to contain trade secrets, must indicate each section or paragraph that contains trade secret information and must have attached a declaration stating with specificity the reason this document contains trade secret information. All emission data is subject to disclosure regardless of any claim of trade secret.

Acknowledgement AG (Please Initial) Are Trade Secret documents included with this application? Y N

SECTION VII NEAREST SCHOOL

If the emission source is within 1,000 feet of a school site and the application will result in an increase in hazardous air emissions, a public notice will be required at the expense of the applicant. (CH&S 42301.6)

"School" means any public or private school used for purposes of the education of more than 12 children in kindergarten or any of grades 1 to 12, inclusive, but does not include any private school in which education is primarily conducted in private homes. (CH&S 42301.9(a))

Pursuant to 42301.6(f) of the California Health and Safety Code, I hereby certify that the emission source(s) in this permit application:

(Initial appropriate box)	<input type="checkbox"/>	Is within 1,000 feet of the outer boundary of a school.
	<input checked="" type="checkbox"/> AG	Is not within 1,000 feet of the outer boundary of a school.

NEAREST SCHOOL AND DISTANCE (IN FEET) NAME: Barry Elementary School / 17,600 FEET

SECTION VIII APPLICANT CERTIFICATION STATEMENT

Applicant agrees to defend (with legal counsel reasonably acceptable to FRAQMD), indemnify and hold harmless FRAQMD, its officers, employees, and agents, from and against any and all claims, losses, costs, damages, injuries (including injury to or death), expenses and liabilities of every kind, nature and description (including incidental and consequential damages, court costs, attorneys' fees, litigation expenses and fees of expert consultants or expert witnesses incurred in the connection therewith and costs of investigation) that arise out of, pertain to, or relate to, directly or indirectly, in whole or in part, this permit and/or the application or issuance thereof. To the extent that FRAQMD is required to use any of its resources to respond to such claim, action, or proceeding, Applicant will reimburse FRAQMD upon demand and upon presentation of an invoice describing the work done, the time spent on such work, and the hourly rate for such work by the employee or agent of FRAQMD.

I certify under penalty of perjury under the laws of the State of California, based on information and belief formed after reasonable inquiry, that the information contained in this application, composed of the forms and attachments, is true, accurate, and complete, and that I am the responsible official.

RESPONSIBLE OFFICIAL OR AUTHORIZED AGENT SIGNATURE: *Andrew Gundershaug*

NAME (PRINTED): Andrew Gundershaug TITLE: Plant Manager DATE: 2/25/19