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December 20, 2001

Tesla Power Project 7445 Southfront Road Livermore CA 94550

Attention: Scott Busa, Project Development Manager

Application Number: 3506

Equipment Location: Midway Road

Tracy CA

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Dear Mr. Busa:

This is to clarify the letter sent to you from the District dated December 12, 2001 addressing the issue of the completeness of your permit application for the Tesla Power Project. The letter was automatically triggered when the application we deemed complete after we evaluated the information and data submitted to the District on December 3, 2001. Unfortunately, it is a form letter that contained statements that do not apply to the permit process for power plants, which are governed by District Regulation 2, Rule 3. The following statements do apply to your application.

1. We have evaluated the information and meteorological data submitted to the District on December 3, 2001, and determined that the application is complete pursuant to Regulation 2-1-202. This completeness determination is retroactive to December 3, 2001, when the District received the information. Regulation 2-1-202 is shown below for reference.

2-1-202 Complete Application: An application that contains the following:

- 202.1 Sufficient information for the APCO to determine the emissions from such new or modified source and to quantify emissions from the proposed source(s) of offsets or credits.
- 202.2 Any information requested by the APCO in order to determine the air quality impact of the application.
- 202.3 All applicable fees, as described in Regulation 3.
- 202.4 The information required by Regulation 2-2-414 and 417 provided the application is subject to the PSD requirements of Regulations 2-2-304, 305, 306, or 308.
- 202.5 CEQA-related information that satisfies the requirements of Section 2-1-426.
- 202.6 A certification, stating whether the source triggers the requirements of Section 2-1-412.
- 202.7 A specific designation of all information, contained in the application, which is asserted to be a trade secret pursuant to Section 6254.7 of the Government Code and not a public record. Such designated information shall be provided in such a manner whereby it may be easily separated from information that is not asserted to be a trade secret. The applicant shall include, for each separate portion of the application which is asserted to be a trade secret, a statement signed by a responsible

Application 3506 Page 2 December 20, 2001

representative of the applicant identifying that portion of Government Code Section 6254.7 (d) upon which the assertion is based and a brief statement setting forth the basis for this assertion. (Amended 7/17/91; 11/20/91; 5/17/00)

- 2. The letter dated December 12, 2001 erroneously stated that a final decision on the Tesla Power Project would be made by January 21, 2001. This date is based upon District Regulation 2-1-408, which does not apply to power plant permit applications. Rather, such applications are subject to Regulation 2, Rule 3. Pursuant to Regulation 2-3-403, a Preliminary Determination of Compliance (PDOC) must be issued within 180 days of accepting the application as complete. However, we expect to issue the PDOC by April 1, 2002, barring any substantive changes in the power plant design or operation that will affect emissions and/or the PSD impact analysis. Regulation 2-3-403 is shown below for reference.
- 2-3-403 Preliminary Decision: Within 180 days of accepting an AFC as complete, the APCO shall conduct a Determination of Compliance review and make a preliminary decision as to whether the proposed power plant meets the requirements of District regulations. If so, the APCO shall make a preliminary determination of conditions to be included in the Certificate, including specific BACT requirements and a description of mitigation measures to be required.

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

cc: Brent Eastep, URS
Jack Caswell, CEC