

January 11, 2002

Mr. Fred Salzmann Project Manager PASTORIA ENERGY FACILITY, LLC P.O. Box 866 Lebec, CA 93243-9998

SUBJECT: <u>Pastoria Energy Facility (99-AFC-7C)</u> <u>Approval of Revisions to</u> <u>Conditions of Certification AQ-17, -18, -19, -20, -24, and -26</u>

Dear Mr. Salzmann:

California Energy Commission (Energy Commission) staff reviewed your petition dated September 28, 2001, for the Pastoria Energy Facility (PEF), requesting a modification of air quality Conditions of Certification AQ-17, -18, -19, -20, -24 and -26. The proposed modifications reflect lower nitrous oxides (NO_x) and particulate matter (PM₁₀)emission limits on an hourly, daily, and annual basis, and also revise the air emission offset package accordingly. Additionally, the petition states that PEF will not use an oxidation catalyst to control carbon monoxide (CO) and volatile organic compounds (VOC) emissions from the combustion turbines, but will instead achieve the same emission limits through good combustion practices.

As directed by Governor's Executive Order D-25-01, concerning post-certification amendments, we expedited review of the petition. On December 20, 2001, Energy Commission staff concluded that the proposed project changes have no potential for adverse environmental or public health and safety impacts, and that these changes are consistent with the regulations of the San Joaquin Valley Air Pollution Control District and the District concurs with the changes. Therefore, the changes to Conditions of Certification AQ-17, -18, -19, -20, -24, and -26 as shown below, are approved.

APPROVED CHANGES TO AIR QUALITY CONDITIONS OF CERTIFICATION:

Deleted text is shown in strikeout, new text is shown in underline.

 AQ-18 Emission rates from the CTG shall not exceed either of the following: PM10 - 18.47 9 lb/hr and SOx (as SO2) - 3.495 lb/hr. Emission limits are three-hour rolling averages.
[District Rules 2201 and 4001]

<u>Verification</u>: The project owner shall provide records of compliance as part of the quarterly reports of Condition AQ-39.

Mr. Fred Salzman Page 2 January 11, 2002

AQ-19 On any day when a startup or shutdown occurs, emission rates from CTG shall not exceed any of the following: PM10: 443-216 lb/day, SOx (as SO2): 84 lb/day, NOx (as NO2): 555-450 lb/day, VOC: 417-355 lb/day, and CO: 2113 lb/day.
[District Rule 2201]

<u>Verification</u>: The project owner shall provide records of compliance as part of the quarterly reports of Condition AQ-39.

AQ-20 Combined annual emissions from CTGs S-3636-1, 2 and 3, calculated on a twelve consecutive month rolling basis, shall not exceed any of the following: PM10 - 447,660233,900 lb/year, SOx (as SO2) - 84,780 lb/year, NOx (as NO2) - 410,859344,485 lb/year, VOC - 244,275227,619 lb/year, and CO - 1,220,166 lb/year. [District Rule 2201]

<u>Verification</u>: The project owner shall provide records of compliance as part of the quarterly reports of Condition AQ-39.

AQ-24 Prior to the commencement of operation, the project owner shall surrender offsets for S-3636-1-0, 2-0, 3-0, 4-0 and 5-0, for all calendar quarters in the following amounts, at the offset ratio specified in Rule 2201 (6/15/95 version) Table 1, PM10 - Q1: <u>112,73857,674</u> lb, Q2: <u>113,99158,315</u> lb, Q3: <u>115,24458,956</u> lb, and Q4: <u>115,24458,956</u> lb; SOx (as SO2) - Q1: 20,905 lb, Q2: 21,137 lb, Q3: 21,369 lb, and Q4: 21,369 lb; NOx (as NO2) - Q1: <u>96,37680,010</u> lb, Q2: <u>97,44780,899</u> lb, Q3: <u>98,51881,788</u> lb, and Q4: <u>98,51881,788</u> lb; and VOC - Q1: <u>55,30151,193</u> lb, Q2: <u>55,91551,762</u> lb, Q3: <u>56,53052,331</u> lb, and Q4: <u>56,52952,331</u> lb. [District Rule 2201]

<u>Verification</u>: The project owner shall submit copies of ERC surrendered to the SJVUAPCD in the totals shown to the CPM prior to no later than 30 days prior to the commencement of operation.

AQ-26 NOxSOx ERCs may be used to offset PM10 emission increases at a ratio of 2.422.9 lb NOxSOx : 1 lb PM10 for reductions occurring within 15 miles of this facility, and at 2.723.4 lb NOxSOx : 1 lb PM10 for reductions occurring greater than 15 miles from this facility. [District Rule 2201]

<u>Verification</u>: The project owner shall submit copies of ERC surrendered to the CPM no later than 30 days prior to the commencement of operation.

Mr. Fred Salzman Page 3 January 11, 2002

A copy of this letter will be posted on the Energy's Commission website at <u>www.energy.ca.gov</u>, and we will file a California Environmental Quality Act Notice of Decision with the State Clearinghouse. If you have any questions, please contact Nancy Tronaas, Compliance Project Manager, at (916) 654-3864, or by e-mail at <u>ntronaas@energy.state.ca.us</u>.

Sincerely,

ROBERT L. THERKELSEN, Deputy Director Systems Assessment & Facilities Siting

cc: Raymond Rodriguez, PEF/Calpine Tom Goff, San Joaquin Vally APCD Joe Loyer, Energy Commission Nancy Tronaas, Energy Commission