



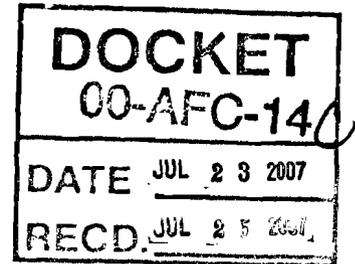
770 L Street, Suite 800
Sacramento, California 95814
main 916.447.0700
fax 916.447.4781
www.stoel.com

July 23, 2007

SETH D. HILTON
Phone: (916) 447-0700
sdhilton@stoel.com

BY HAND DELIVERY

Mr. Christopher Meyer
Compliance Project Manager
California Energy Commission
1516 Ninth Street, MS-15
Sacramento, CA 95814



**Re: El Segundo Power Redevelopment Project (00-AFC-14C)
South Coast Air Quality Management District's Data Adequacy Response to
ESPR's Application for Permit to Construct**

Dear Mr. Meyer:

Please find enclosed herein for docketing the requisite copies of a letter dated June 29, 2007 from the South Coast Air Quality Management District ("SCAQMD"), which deems "data adequate" El Segundo Power Redevelopment ("ESPR") project's application for Permit to Construct. In addition, we have been informed by SCAQMD staff that the ESPR modeling protocol related to the recently filed Petition to Amend has been approved.

Please contact me at the number above should you have any questions.

Very truly yours,

A handwritten signature in black ink, appearing to read "Seth D. Hilton".

Seth D. Hilton

SDH:kjh

Enclosure

cc: Mr. George Piantka, El Segundo Power II LLC



South Coast Air Quality Management District

21865 Copley Drive, Diamond Bar, CA 91765-4178
(909) 396-2000 · www.aqmd.gov

June 29, 2007

Mr. Tim Hemig
Director, Environmental Business
NRG West
1819 Aston Avenue Suite 105
Carlsbad, CA 92008

RE: El Segundo Power Redevelopment Project (ESPR) to be located at 301 Vista Del Mar, El Segundo, CA 90245

Dear Mr. Hemig:

The South Coast Air Quality Management District (AQMD) has finished its initial review regarding the adequacy of the information provided with your applications for Permit to Construct for the proposed 573 MW El Segundo Power Redevelopment Project (AQMD ID No. 115663). As of June 28, 2007, your applications are hereby deemed "data adequate" meaning that sufficient information has been provided in order to begin our engineering analysis. A summary of this determination is provided below:

A/N	Date Received	Equipment Description	Application Determination	Comments
470652	June 21, 2007	Gas Turbine, 219 MW	Data Adequate	None
470656	June 21, 2007	Gas Turbine, 219 MW	Data Adequate	None
470653	June 21, 2007	SCR/CO Catalyst	Data Adequate	None
470654	June 21, 2007	SCR/CO Catalyst	Data Adequate	None
470655	June 21, 2007	Title V Significant Revision	Data Adequate	None

Please make reference to the above application numbers (A/Ns) during future correspondence with AQMD. Also, please note that applications deemed "data adequate" are not guaranteed to receive approval and additional information may be needed during the course of our full engineering evaluation. The following issues have been identified during the adequacy determination:

- The facility needs to demonstrate that it holds sufficient offset credits for PM10, VOC, and SOx before the Permit to Construct can be issued. Additionally, the facility needs to demonstrate that it holds a sufficient amount of NOx RTCs before the project could commence operation. The following is a preliminary estimate of the offsets required for this project based on your submittal:

Pollutant	Amount	Source
NOx	194,966 lb first year ; 181,940 lb subsequent years	RTC
PM10	216 lb/day	R-1304 Exemption, Priority Reserve / ERC
VOC	142 lb/day	R-1304 Exemption, ERC
SOx	28 lb/day	R-1304 Exemption, ERC

- Public Notice – Our initial review indicates that the project will require public notice per Rule 212 and Rule 3006. The AQMD will prepare and distribute the public notice. In accordance with Rule 212, ESPR may be required to also distribute the notice to nearby residents.

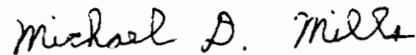
- The California Energy Commission (CEC) is the lead agency for this project (00-AFC-14) and will address all CEQA related issues. CEC will review and amend the original environmental impact report (EIR) issued in February 2005 to account for the recent proposed changes in the project design which were proposed after February 2005.
- Based on the agreement with AQMD reached on May 23, 2007, El Segundo Power, LLC agreed to submit new applications for the proposed design changes, which will replace and supersede the existing open applications. The following table illustrates this transaction:

Equipment	Existing Open Applications	New Applications
Gas Turbine	378766	470652
Gas Turbine	378767	470656
SCR/CO Catalyst	378771	470653
SCR/CO Catalyst	378773	470654
Title V Significant Revision	379905	470655

Therefore, please submit a letter requesting cancellation of the above existing open applications at your earliest convenience.

If you have any questions regarding the subject applications, please call Mr. Kenneth L. Coats at (909) 396-2527 (kcoats@aqmd.gov).

Sincerely,



Michael D. Mills, P.E.
General Commercial & Energy Team
Engineering and Compliance

cc: Mohsen Nazemi, AQMD
Christopher Meyer, Compliance Project Manager, CEC
Mr. Steve Odabashian, El Segundo Power, LLC