



South Coast Air Quality Management District

21865 Copley Drive, Diamond Bar, CA 91765-4178

(909) 396-2000 • www.aqmd.gov

NOTICE OF INTENT TO ISSUE PERMIT PURSUANT TO AQMD RULES 212 AND 3006

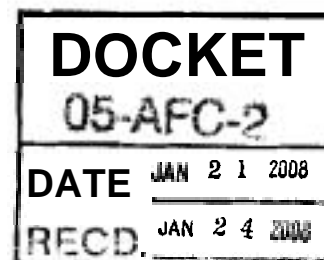
This notice is to inform you that the South Coast Air Quality Management District (AQMD) has received and reviewed permit applications for the proposed Walnut Creek Energy, LLC (WCE) power plant project and intends to issue a Title V Facility Permit I) at the end of the 30-day public comment and review period and after all pertinent comments have been considered, 2) upon U.S. Environmental Protection Agency approval of the Title V permit, and 3) upon WCE demonstrating compliance with the additional requirements of AQMD Rule 1309.1 – Priority Reserve.

The AQMD is the air pollution control agency for the four county-region including Orange County and parts of Los Angeles, Riverside and San Bernardino counties. Anyone wishing to install or modify equipment that could control or be a source of air pollution within this region must first obtain a permit from the AQMD. Under certain circumstances, before a permit is granted, a public notice, such as this, is prepared by the AQMD and distributed.

The AQMD has evaluated the permit applications listed below for the following facility and determined that the project meets or will meet all applicable AQMD rules and regulations based upon the evaluation described below:

FACILITY: Walnut Creek Energy, LLC
911 Bixby Road
City of Industry, CA 91744
Facility ID No: 146536

CONTACT: Mr. Thomas J. McCabe, Regional Vice President
Edison Mission Energy
18101 Von Karman Avenue
Irvine, CA 92612



AQMD APPLICATION NUMBERS

Application Number	Equipment Description
450894	Combustion Engine, Gas Turbine No. 1
450895	Combustion Engine, Gas Turbine No. 2
450896	Combustion Engine, Gas Turbine No. 3
450897	Combustion Engine, Gas Turbine No. 4
450898	Combustion Engine, Gas Turbine No. 5
450899	Air Pollution Control Equipment, SCR/CO Catalyst for Turbine No. 1
450900	Air Pollution Control Equipment, SCR/CO Catalyst for Turbine No. 2
450901	Air Pollution Control Equipment, SCR/CO Catalyst for Turbine No. 3
450904	Air Pollution Control Equipment, SCR/CO Catalyst for Turbine No. 4
450907	Air Pollution Control Equipment, SCR/CO Catalyst for Turbine No. 5
450908	Emergency Fire Pump Engine
451185	Aqueous Ammonia Storage Tank
450854	Initial Title V Application

PROJECT DESCRIPTION

The project consists of construction and operation of a new power plant with the capability of generating a total of 500 megawatts (MW) of electrical power consisting of five (5) new, simple cycle GE LMS100 gas turbines with associated air pollution control systems, one (1) 340 brake horsepower diesel fuel fired emergency fire pump, and a 16,000 gallon capacity aqueous ammonia storage tank. Since the above equipment has the potential to emit pollutants in excess of the emission levels specified in AQMD Rule 212(g), a public notice is required.

DISTRIBUTION DATE: January 21, 2008

PROJECTED EMISSIONS

After the initial commissioning period, the total maximum monthly emissions from the operation of the proposed equipment in conjunction with the use of air pollution control systems is not expected to exceed the following:

Pollutant	Maximum Monthly Emissions, (pounds per month)
Nitrogen Oxides	20,179
Carbon Monoxide	32,663
Volatile Organic Compounds	4,439
Particulate Matter (diameter less than 10 microns)	14,019
Sulfur Dioxide	1,404
Ammonia	11,625

As a result of the burning of natural gas in the gas turbines, emissions from the proposed project also contains some pollutants that are considered toxic under AQMD Rule 1401-New Source Review of Toxic Air Contaminants. Therefore, a health risk assessment was performed for this project. The health risk assessment uses health protective assumptions in estimating actual risk to an individual person. Even assuming this health protective condition, the evaluation shows that the maximum individual cancer risk increase from the project is less than **one-in-one-million**. Also, acute and chronic indices, which measure non-cancer health impacts, are less than one. These levels of estimated risk are below the threshold limits of AQMD Rule 1401 (d) established for new or modified sources and below AQMD Rule 1309.1(b)(5)(A) for power plants. The health risk assessment (HRA) results are shown in the table below:

HRA Results

	Residential MICR	Commercial MICR	Residential HIA	Commercial HIA	Residential HIC	Commercial HIC
Gas Turbine No. 1	1.90x10 ⁻⁹	2.12x10 ⁻¹⁰	0.00021	0.000176	0.0000376	0.00000312
Gas Turbine No. 2	1.90x10 ⁻⁹	2.12x10 ⁻¹⁰	0.00021	0.000175	0.0000376	0.00000311
Gas Turbine No. 3	1.91x10 ⁻⁹	2.12x10 ⁻¹⁰	0.00021	0.000176	0.0000376	0.00000312
Gas Turbine No. 4	1.91x10 ⁻⁹	2.12x10 ⁻¹⁰	0.00023	0.000175	0.0000375	0.00000310
Gas Turbine No. 5	1.89x10 ⁻⁹	2.14x10 ⁻¹⁰	0.00020	0.000173	0.0000373	0.00000311
Total Project	6.23x10 ⁻⁷	1.06x10 ⁻⁹	0.0635	0.000879	0.0124	0.000156

Also, based on the engineering evaluation for this project, the AQMD has determined that the project complies with all of the applicable requirements to be qualified to access Priority Reserve credits pursuant to AQMD Rule 1309.1. However, the project must comply with additional requirements prior to the AQMD’s release of the Priority Reserve credits and issuance of the Final Title V Permit.

This facility is a new Federal Title V and Title IV (Acid Rain) facility. Pursuant to AQMD Title V Permits Rule 3006 – Public Participation, any person may request a proposed permit hearing on an application for an Initial Title V or significant permit revision by **filing** with the Executive Officer a complete Hearing Request Form (Form **500G**) for a proposed hearing within 15 days of the date of publication of this notice, as shown below. This form is available on the AQMD **website** at <http://www.aqmd.gov/permit/Formspdf/TitleV/AQMDForm500-G.pdf>, or alternatively, the form can be made available upon request by contacting Mr. Kenneth L. Coats at the e-mail and telephone number listed below. On or before the date the request is filed, the person requesting a proposed permit hearing must also send by first class a copy of the request to the facility address and contact person listed above.

THE FOLLOWING REQUIREMENTS MUST BE COMPLIED WITH PRIOR TO THE ISSUANCE OF FINAL PERMIT

In order for AQMD to be able to release any Priority Reserve credits and issue a Final Title V permit to this project, the applicant must comply with additional requirements of AQMD Rules and Regulations, including but not limited to the following:

Rule 1303(b)(2)

WCE must provide emission offsets for NO_x, VOC, SO_x, and PM₁₀ emissions. Emission offsets for PM₁₀, SO_x, and VOC will be provided in the form of Emission Reduction Credits (ERCs). Some or all of the emission offsets for PM₁₀, and SO_x may also be obtained from the AQMD's Priority Reserve pursuant to AQMD Rule 1309.1.

Rule 2005(b)(2)

Emission offsets for NO_x will be in the form of RECLAIM Trading Credits (RTCs).

Rule 1309.1(c)(2)

WCE pays a mitigation fee pursuant to subdivision (g).

Rule 1309.1(c)(3)

WCE conducts a due diligence effort [based on an ERC cost not to exceed the applicable mitigation fee for that pollutant at the location of the electrical generating facility (EGF) and as specified in subdivision (g) of Rule 1309.1] approved by the Executive Officer to secure available ERCs for requested Priority Reserve pollutants. Such efforts shall include securing available ERCs including those available through state emission banks or creating ERCs through SIP approved credit generation programs as available.

Rule 1309.1(c)(4)

WCE enters into a long-term contract (at least one year) with the State of California to sell at least 50 percent of the portion of power which it has generated using the Priority Reserve Credits and the Executive Officer determines at the time of permitting, and based on consultations with State power agencies that the State of California is both entering into such long term contract and that a need for such contract exists at the time of permitting, if the facility is a net generator.

Rule 1309.1(d)(6)

WCE must use any ERCs held first, before access to the Priority Reserve is allowed.

Rule 1309.1(d)(14)

WCE secures final certification and approval for this project from the California Energy Commission, and has entered into a long term contract with Southern California Edison Company or the San Diego Gas and Electric Company or the State of California to provide electricity in Southern California.

The proposed permit and other information are available for public review at the AQMD's headquarters in Diamond Bar, and at the La Puente Public Library, 15920 Central Avenue, La Puente, CA 91744. Additional information including the facility owner's compliance history submitted to the AQMD pursuant to Section 42336, or otherwise known to the AQMD, based on credible information, is available at the AQMD for public review by contacting Mr. Kenneth L. Coats (kcoats@aqmd.gov), Engineering and Compliance, South Coast Air Quality Management District, 21865 Copley Drive, Diamond Bar, CA 91765-4182, (909) 396-2527. A copy of the draft Permit to Construct can also be viewed at <http://www.aqmd.gov/webappl/PublicNotices/Search.aspx>.

Anyone wishing to comment on the air quality elements of this permit must submit comments in writing to the AQMD at the above address, attention Mr. Michael D. Mills. **Comments must be received within 30 days of the distribution/publication date of this notice, as shown below.** If you are concerned primarily about zoning decisions and the process by which the facility has been sited in this location, contact your local city or county planning department or the California Energy Commission at (916) 654-4640. For your general information, anyone experiencing air quality problems such as dust or odor can telephone in a complaint to the AQMD 24 hours a day by calling 1-800-CUT-SMOG (1-800-288-7664).