



June 30, 2008

Ms. Donna Stone Compliance Project Manager California Energy Commission 1516 Ninth Street, MS-2000 Sacramento, CA 95814

CEC Docket No. 01-AFC-04, East Altamont Energy Center Subject:

Comments on petition to extend start of construction date

Dear Ms. Stone:

The San Joaquin Valley Air Pollution Control District (District) has been notified of East Altamont Energy Center's (EAEC) petition to extend the start of construction date for their project by an additional three (3) years. As you are aware, EAEC entered into an Air Quality Mitigation Settlement Agreement (AQMA) with the District, which is included in Condition AQ-SC5 of the CEC certification of this project. The District offers the following comment on this petition:

As more than 5 years have passed without starting any construction, the AQMA needs to be revisited. Since the project was first certified, the District has gained a better understanding of how to mitigate emissions from projects that impact the San Joaquin Valley Air Basin, but that are not subject to District permitting requirements.

This is evidenced by the adoption of District Rule 9510 (Indirect Source Review) by the District's Board on December 15, 2005. This Rule includes a method of analyzing impacts, as well as a specific fee structure for any un-mitigated emissions. The AQMA should be amended to include the Rule 9510 fee structure.

Additionally, if there have been any changes to the project's offsetting package, those changes should be analyzed to determine the amount of un-mitigated impacts.

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Executive Director/Air Pollution Control Officer

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The District looks forward to working with the EAEC to properly amend the AQMA to ensure that the citizens in the San Joaquin Valley Air Basin are not unfairly impacted by the location of this project.

If you have any further questions regarding this matter, please contact myself or Jim Swaney, Permit Services Manager, at (559) 230-5900, or Mr. Swaney at jim.swaney@valleyair.org.

Sincerely,

David Warner

**Director of Permit Services** 

DW:js

cc: Supervisor Leroy Ornellas

San Joaquin County 222 E. Weber, Room 701 Stockton, CA. 95202