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January 19, 2010

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VIA COURIER

Mr. Joseph Douglas, Compliance Project Manager
California Energy Commission
1516 Ninth Street, MS-200
Sacramento, CA 95814

| | |
|---------------|-------------|
| DOCKET | |
| 00-AFC-14C | |
| DATE | JAN 19 2010 |
| RECD. | JAN 19 2010 |

Re: El Segundo Power Redevelopment Project (00-AFC-14C)
Air Permit Application Package Supplement

Dear Mr. Douglas:

On behalf of El Segundo Energy Center LLC, please find enclosed for docketing correspondence submitted to Mr. John Yee of the South Coast Air Quality Management District. The correspondence provides information related to HARP Modeling, which can also be found on the enclosed CD-Rom.

Should you have inquiries regarding this submittal, please do not hesitate to contact George Piantka or me.

Respectfully submitted,

Melissa A. Foster

MAF:kjh

cc: George Piantka, NRG Energy, West Region
Tom Andrews, Sierra Research
Russ Kingsley, AECOM
John McKinsey, Stoel Rives LLP



El Segundo Energy Center LLC
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Phone: 760.710.2156
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January 15, 2010

Mr. John Yee
South Coast AQMD
21865 Copley Drive
Diamond Bar, CA 91765

**Subject: Permit Application Package Supplement
Proposed El Segundo Power Redevelopment Project
Facility - El Segundo Power, LLC (ID #115663)**

Dear Mr. Yee:

On December 4, 2009, El Segundo Energy Center LLC submitted a request to the SCAQMD to continue processing the permit application package for the ESPR Project (Facility I.D. Number 115663). The permitting effort for this Project was delayed as a result of the July 2008 court ruling suspending ERC exemptions under Rule 1304 and access to the Priority Reserve under Rule 1309.1. Due to the recently signed Senate Bill 827, beginning on January 1, 2010, the SCAQMD will be able to process permits for projects that rely on the Emission Reduction Credit (ERC) exemptions under Rule 1304, such as the proposed ESPR Project. Due to the delay in the permitting effort for the ESPR Project, it is necessary to revisit two issues that have changed during this delay: HARP Modeling and background ambient air quality levels. The following paragraphs discuss these two issues.

HARP Modeling

The SCAQMD's March 13, 2008 draft Title V permit package for the ESPR Project included an analysis of the public health impacts associated with the proposed Project.¹ While the toxic air contaminant (TAC) emission rates and plume dispersion characteristics of the project remain unchanged, it was necessary to re-examine the acute and chronic impacts for the project due to the December 19, 2008 OEHHA/CARB update to the acute and chronic RELs for six toxic air contaminants (TACs). The most current version of the OEHHA/CARB-developed and -approved Hotspots Analysis Report Program (HARP) for the ESPR Project was run. The results of the new HARP runs are shown in Table 1. As shown in Table 1, the

¹ SCAQMD Draft Title V permit package, March 13, 2008, engineering evaluation, pages 28 and 29 of 43.

revised impacts remain well below the public health significance levels. The HARP input and output files are included on the enclosed compact disc.

| Table 1 Acute and Chronic Health Impact Summary | | | |
|--|------------------------------------|-------------------------------------|---------------------------------------|
| Risk Parameter | Revised Impacts^a | Previous Impacts^b | Significance Level^b |
| Per Unit Maximum Acute Health Hazard Index – Residential | 0.006 | 0.015 | 1.0 |
| Per Unit Maximum Acute Health Hazard Index – Commercial | 0.006 | 0.015 | 1.0 |
| Per Unit Maximum Chronic Health Hazard Index – Residential | 0.0016 | 0.0024 | 1.0 |
| Per Unit Maximum Chronic Health Hazard Index - Commercial | 0.0016 | 0.0041 | 1.0 |
| a. Maximum impact per unit – see enclosed HARP modeling files. b. Maximum impact per unit - SCAQMD Draft Title V permit package, March 13, 2008, engineering evaluation, page 29 of 43, Table 28. | | | |

Background Ambient Levels

Other than the effect on the HARP modeling for the ESPR Project, the delay in the permitting caused by the July 28, 2008 court decision also affects the background ambient concentrations used in the criteria pollutant ambient air quality analysis in the SCAQMD March 13, 2008 draft Title V permit package. The ambient air quality impact analysis included in the SCAQMD Title V permit package² includes a listing of background ambient concentrations for the Project area. Because these background concentrations were based on data collected at nearby monitoring stations during the three-year period from 2004 to 2006, it is necessary to update these values to account for more recent data collected during the three-year period from 2006 to 2008. Table 2 summarizes these data and compares them to the maximum values listed in the SCAQMD draft Title V permit package.

As shown in Table 2, the background values for 1-hour average and 3-hour average SO₂, and 1-hour NO₂ for the Project area are somewhat higher based on 2006–2008 data than were the values provided in the SCAQMD draft Title V permit package. For 1-hour average SO₂,

² SCAQMD Draft Title V permit package, March 13, 2008, engineering evaluation, pages 22 and 23 of 43.

while the maximum background level is about double the previous value, when the maximum modeled per unit impact of approximately 1.5 micrograms for cubic meter ($\mu\text{g}/\text{m}^3$) shown in the SCAQMD draft Title V permit package² is added to the maximum background level, the combined value of 230 $\mu\text{g}/\text{m}^3$ remains well below the most stringent air quality standard of 655 $\mu\text{g}/\text{m}^3$. The 3-hour SO_2 value is also still well below the applicable standard, as the maximum per unit impact of 0.8 $\mu\text{g}/\text{m}^3$ combined with a background of 97 $\mu\text{g}/\text{m}^3$ is only 8 percent of the 3-hour SO_2 standard of 1,300 $\mu\text{g}/\text{m}^3$.

The 1-hour NO_2 background value has increased only slightly (from 162 $\mu\text{g}/\text{m}^3$ to 169 $\mu\text{g}/\text{m}^3$) based on the more recent data. When the new background value is added to the maximum per unit short-term NO_2 impacts of 59 $\mu\text{g}/\text{m}^3$ from the SCAQMD draft Title V permit package,² the new total of 228 $\mu\text{g}/\text{m}^3$ is below the 1-hour NO_2 standard of 338 $\mu\text{g}/\text{m}^3$.

All other pollutant and averaging period background values have decreased for this more recent three-year period. Consequently, these changes to the maximum background levels will not affect any findings made in the SCAQMD draft Title V permit package.

Table 2
Maximum Background Concentrations 2006 – 2008 ($\mu\text{g}/\text{m}^3$)

| Pollutant | Averaging Period | 2006 | 2007 | 2008 | Maximum | Previous Maximum ^c |
|--------------------------|------------------|-------|-------|-------|---------|-------------------------------|
| NO_2^{a} | 1-hour | 146.5 | 154.3 | 169.3 | 169 | 162 |
| | Annual | 31.9 | 35.7 | 33.9 | 36 | 38 |
| SO_2^{b} | 1-hour | 70.7 | 96.9 | 227.9 | 228 | 110 |
| | 3-hour | 60.3 | 73.4 | 96.9 | 97 | 87 |
| | 24-hour | 26.2 | 23.6 | 26.2 | 26 | 31 |
| | Annual | 5.2 | 7.9 | 7.9 | 8 | 13 |
| CO^{a} | 1-hour | 3,335 | 3,093 | 3,093 | 3,335 | 4,600 |
| | 8-hour | 2,300 | 2,291 | 2,062 | 2,300 | 2,645 |
| | Annual | 31.0 | 33.5 | 29.1 | 34 | 33 |

Notes:

- West Los Angeles VA Hospital monitoring station.
- North Long Beach monitoring station.
- Based on SCAQMD Draft Title V permit package, March 13, 2008, engineering evaluation, pages 22 of 43.
- Background concentration data obtained from CARB ADAM Air Quality Data Statistics (<http://www.arb.ca.gov/adam/welcome.html>) and EPA AirData (<http://epa.gov/air/data/monvals.html?st=CA~California>).

Mr. John Yee
South Coast AQMD
January 15, 2010
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If you have any questions or need any additional information, please do not hesitate to call me at (760) 710-2156 or Tom Andrews at 916-273-5139. Please note that the above information has also been submitted to the CEC as part of a supplemental petition to amend.

Sincerely,



George L. Piantka, PE
Director, Environmental Business
NRG Energy, West Region

Enclosure (HARP Modeling CD)

cc: Ken Coats, SCAQMD
Gerry Bemis, CEC
Joe Douglas, CEC
CEC Docket Unit (00-AFC-14C)
John McKinsey, Stoel
Tom Andrews, Sierra Research
Russ Kingsley, AECOM