



California Energy Commission

DOCKETED
12-AFC-2

TN # 67316

SEP 26 2012

September 19, 2012

AES Huntington Beach
21730 Newland Street
Huntington Beach, CA 92646
tel 562 493 7891
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Ms. Deborah Jordan
Director, Air Division
United States Environmental Protection Agency, Region 9
75 Hawthorne Street
San Francisco, CA 94105-3901

**RE: AES Huntington Beach Energy Project Application for Greenhouse Gas
Prevention of Significant Deterioration Pre-Construction Permit**

Dear Ms. Jordan:

AES Huntington Beach, LLC (AES-HB), a wholly owned subsidiary of AES Southland, LLC (AES), is submitting copies of the application materials for a Greenhouse Gas Prevention of Significant Deterioration (PSD) permit for the Huntington Beach Energy Project (HBEP).

HBEP is a natural gas-fired, combined-cycle electrical generating facility with a net output rating of 939 megawatts. The HBEP will replace and be constructed on the site of AES's Huntington Beach Generating Station (HBGS) located in the City of Huntington Beach, California. HBEP will consist of two power blocks, each composed of three natural gas combustion turbine generators with supplemental fired heat recovery steam generators, a steam turbine generator, an air-cooled condenser, and ancillary facilities.

This application is being submitted in conjunction with applications submitted to the South Coast Air Quality Management District (AQMD) and the California Energy Commission (CEC). The attached application is materially the same as the application submitted to the AQMD. However, during the CEC's data adequacy review, they noted deficiencies in the biological and cultural resources, transmission system engineering, and public health materials submitted, requiring additional information to be developed. The attached application incorporates these additional information items for the Application for Certification (AFC) to the CEC.

The HBEP is subject to preconstruction review under Title 40, Code of Federal Regulations, Part 52.21. As such, HBEP is subject to the Environmental Protection Agency (EPA) PSD "Tailoring Rule" for greenhouse gases. It is our understanding that EPA has proposed delegation of the Greenhouse Gas PSD authority to the AQMD on August 29, 2012, with delegation expected before the end of the year. However, the AQMD has requested that AES-HB also submit the Greenhouse Gas PSD permit application directly to EPA Region 9.

The contents of this application package include the following information from the CEC Application for Certification, which includes the Greenhouse Gas Best Available Control Technology discussion (Appendix 5.1D) and the completed AQMD authority to construct application forms (Appendix 5.1E):

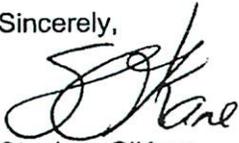
PROOF OF SERVICE (REVISED 9/17/12)
ORIGINAL MAILED FROM SACRAMENTO ON

FILED WITH
9/26/12
DLS

- Section 1.0: Executive summary
- Section 2.0: Project Description
- Section 5.1: Air Quality (includes Appendices 5.1A through 5.1F)
- Section 5.2: Biological Resources (section included to satisfy Endangered Species consultation requirements with the United State Fish and Wildlife Service)
- Section 5.3: Cultural Resources (section included to satisfy Historic Preservation Act consultation requirements with the State Historic Preservation Office)
- Section 5.9: Public Health (includes Appendix 5.9A)
- Section 6.0: Alternatives Analysis

AES Huntington Beach, LLC looks forward to working with the EPA during the review of the HBEP application materials and the issuance of the GHG PSD permit.

Sincerely,



Stephen O'Kane
Manager
AES Huntington Beach, LLC

Attachments: One (1) hard and two (2) electronic copies of the application materials

cc: Felicia Miller/CEC (cover letter only)
Brian Yeh/SCAQMD (cover letter only)
Stephen O'Kane/AES (cover letter only)
Jerry Salamy/CH2M HILL (cover letter only)
Robert Mason/CH2M HILL (cover letter only)
John McKinsey/Stoel Rives (cover letter only)



**BEFORE THE ENERGY RESOURCES CONSERVATION AND DEVELOPMENT
COMMISSION OF THE STATE OF CALIFORNIA
1516 NINTH STREET, SACRAMENTO, CA 95814
1-800-822-6228 – WWW.ENERGY.CA.GOV**

**APPLICATION FOR CERTIFICATION FOR THE
HUNTINGTON BEACH ENERGY PROJECT**

**Docket No. 12-AFC-02
(Revised 9/17/12)**

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*indicates change

DECLARATION OF SERVICE

I, Diane L. Scott, declare that on September 26, 2012, I served and filed a copy of the attached **AES'S APPLICATION FOR GREENHOUSE GAS PREVENTION OF SIGNIFICANT DETERIORATION (PSD) PRE-CONSTRUCTION PERMIT**, dated September 19, 2012. This document is accompanied by the most recent Proof of Service list, located on the web page for this project at:

http://www.energy.ca.gov/sitingcases/huntington_beach_energy/index.html.

The document has been sent to the other parties in this proceeding (as shown on the Proof of Service list) and to the Commission's Docket Unit or Chief Counsel, as appropriate, in the following manner:

(Check all that Apply)

For service to all other parties:

Served electronically to all e-mail addresses on the Proof of Service list;

Served by delivering on this date, either personally, or for mailing with the U.S. Postal Service with first-class postage thereon fully prepaid, to the name and address of the person served, for mailing that same day in the ordinary course of business; that the envelope was sealed and placed for collection and mailing on that date to those addresses marked ***"hard copy required"** or where no e-mail address is provided.

AND

For filing with the Docket Unit at the Energy Commission:

by sending one electronic copy to the e-mail address below (preferred method); **OR**

by depositing an original and 12 paper copies in the mail with the U.S. Postal Service with first class postage thereon fully prepaid, as follows:

CALIFORNIA ENERGY COMMISSION – DOCKET UNIT

Attn: Docket No. 12-AFC-02

1516 Ninth Street, MS-4

Sacramento, CA 95814-5512

docket@energy.ca.gov

OR, if filing a Petition for Reconsideration of Decision or Order pursuant to Title 20, § 1720:

Served by delivering on this date one electronic copy by e-mail, and an original paper copy to the Chief Counsel at the following address, either personally, or for mailing with the U.S. Postal Service with first class postage thereon fully prepaid:

California Energy Commission

Michael J. Levy, Chief Counsel

1516 Ninth Street MS-14

Sacramento, CA 95814

michael.levy@energy.ca.gov

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, that I am employed in the county where this mailing occurred, and that I am over the age of 18 years and not a party to the proceeding.

Originally Signed By:

Diane L. Scott

Siting, Transmission and Environmental Protection Division